



## Ad hoc release

### **STADA: Sales and earnings targets for 2014 at Group level met – crisis in the market region CIS/Eastern Europe requires impairments on goodwill as well as on further intangible assets in the expected amount of Euro 76.0 million before taxes and Euro 75.7 million after taxes – dividend should be stable – preliminary outlook for 2015 published**

Bad Vilbel, February 19, 2015 – The Executive Board of STADA Arzneimittel AG has today, on February 19, 2015, published the preliminary figures for financial year 2014, which have not yet been audited. Accordingly, **Group sales** is expected to have risen by 3 percent to Euro 2,062.2 million (previous year: Euro 2,003.9 million) (adjusted for currency and portfolio effects: +1 percent). **Reported EBITDA** is expected to have increased by 9 percent to Euro 418.8 million (previous year: Euro 382.6 million). **Adjusted EBITDA** is anticipated to have increased by 4 percent to Euro 431.9 million (previous year: Euro 414.3 million). Overall, there were one-time special effects in the expected amount of Euro 128.6 million before or Euro 121.6 million after taxes. They include impairments on goodwill in the expected amount of Euro 54.0 million before and after taxes as well as on further intangible assets in the expected amount of Euro 22.0 million before and Euro 21.7 million after taxes as a result of the significantly changed interest rate and currency environment as well as ongoing higher risks in the market region CIS/Eastern Europe. In light of this, **reported net income** is expected to have decreased by 47 percent to Euro 64.6 million (previous year: Euro 121.4 million). **Adjusted net income** is anticipated to have increased by 16 percent to Euro 186.2 million (previous year: Euro 160.6 million).

Due to the decreased net income reported, the STADA Executive Board recommends that the Supervisory Board propose to the next Annual General Meeting on June 3, 2015 an unchanged **dividend** of Euro 0.66 Euro per common share for financial year 2014 (previous year: Euro 0.66). The resulting total dividend payment of Euro 40.0 million (previous year: Euro 39.8 million) reflects a significantly higher distribution ratio than the previous year at approximately 62 percent of net income reported.

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Chairman of the Supervisory Board: Dr. Martin Abend



**Reported earnings per share** are anticipated to have decreased to Euro 1.07 (previous year: Euro 2.04). **Adjusted earnings per share** are expected to have increased to Euro 3.08 (previous year: Euro 2.70).

As of the balance sheet date, **net debt** is expected to amount to Euro 1,327.5 million (December 31, 2013: Euro 1,306.8 million). The **net debt to adjusted EBITDA ratio** is anticipated to have decreased to 3.1 in financial year 2014 (previous year: 3.2).

**Cash flow from operating activities** is expected to have amounted to Euro 223.8 million in financial year 2014 (previous year: Euro 203.7 million). **Free cash flow** is anticipated to have amounted to Euro -38.2 million (previous year: Euro -108.2 million). **Free cash flow adjusted** for payments for significant investments or acquisitions and proceeds from significant disposals is expected to have amounted to Euro 157.4 million (previous year: Euro 133.3 million).

For the **preliminary outlook for 2015**, the Executive Board currently anticipates growth in Group sales adjusted for currency and portfolio effects. From today's perspective, the Executive Board however expects a decreased earnings contribution from Russia due to the recent developments of the Russian ruble and increased risks in connection with consumer mood and the general market situation. Taking these developments into account and based on current currency relations, the Executive Board expects from today's perspective a substantial decrease in adjusted EBITDA and adjusted net income.

STADA will publish its final figures for financial year 2014 including a definitive forecast for financial year 2015 on March 26, 2015.

### STADA key figures

	2014	2013	+/-
Group sales	Euro 2.062.2 million	Euro 2,003.9 million	+3%
EBITDA, reported	Euro 418.8 million	Euro 382.6 million	+9%
<i>EBITDA, adjusted</i>	<i>Euro 431.9 million</i>	<i>Euro 414.3 million</i>	+4%
Net income, reported	Euro 64.6 million	Euro 121.4 million	-47%
<i>Net income, adjusted</i>	<i>Euro 186.2 million</i>	<i>Euro 160.6 million</i>	+16%
Earnings per share	Euro 1.07	Euro 2.04	-48%
<i>Earnings per share, adjusted</i>	<i>Euro 3.08</i>	<i>Euro 2.70</i>	+14%

### STADA adjustments

	2014
Net income, reported	Euro 64.6 million
One-time effects	
<ul style="list-style-type: none"> <li>• Burden from impairments on goodwill including the market region CIS/Eastern Europe</li> <li>• Burden from impairments on further intangible assets following impairment tests including the market region CIS/Eastern Europe</li> <li>• Burden from currency effects 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</li> <li>• Burden from additional scheduled depreciation and other measurement effects due to purchase price allocations as well as significant product acquisitions taking financial year 2013 as basis</li> <li>• Net relief from several extraordinary expenses and income, among other things, for payments made and received in connection with damage claims</li> <li>• Relief on earnings from effects of the measurement of derivative financial instruments under financial income and expenses</li> </ul>	<ul style="list-style-type: none"> <li>+ Euro 59.8 million</li> <li>+ Euro 41.5 million</li> <li>+ Euro 20.7 million</li> <li>+ Euro 10.6 million</li> <li>- Euro 7.4 million</li> <li>- Euro 3.6 million</li> </ul>

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<b>Total one-time effects</b>	<b>Euro 121.6 million</b>
<i>Net income, adjusted</i>	<i>Euro 186.2 million</i>

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