

Press and Analysts' Conference

March 23, 2016



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

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

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Forward-looking statement

This STADA Arzneimittel AG presentation (hereinafter "STADA") contains certain statements regarding future events that are based on the current expectations, estimates and forecasts on the part of the company management of STADA as well as other currently available information. 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.

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

Overview 2015

Hartmut Retzlaff

Highlights 2015

Sales (organic)¹⁾:

- Group +4%: despite difficult market environment
 - Central Europe -3%: temporary reluctance on the part of the wholesalers in Belgium, strong performance in UK and Spain
 - Russia +8%: portfolio optimization at the forefront, sell-out continuously growing in the double-digit range, slight increase in market share
 - Branded products with strong trend (+9%)
-

Business development:

- Cooperation with CROMA-PHARMA in the area of aesthetic dermatology
 - Purchase of the Argentinian generics producer Vannier
 - France: Sale of the company LERO
-

Financial and earnings situation:

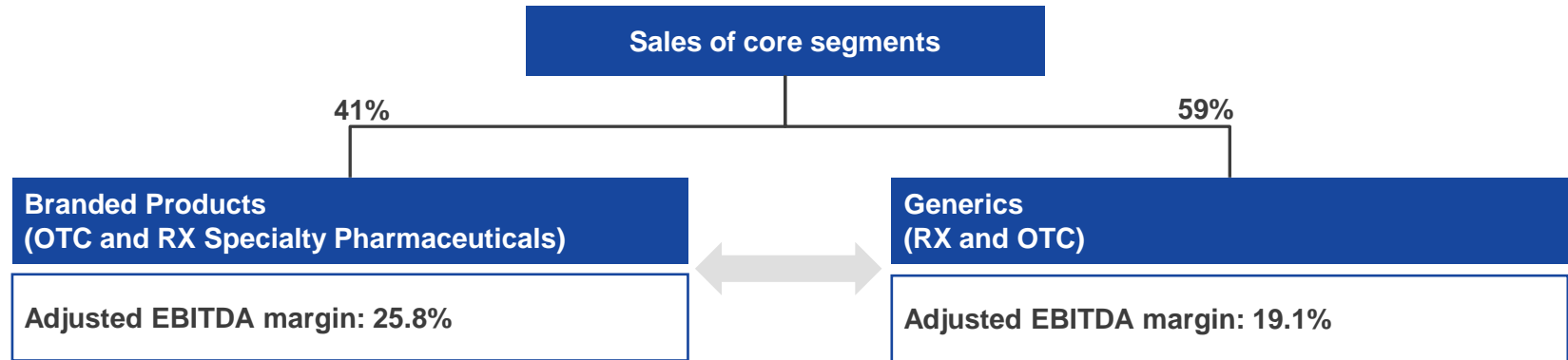
- Cash flow from operating activities increases to € 311.7 million (+39%)
 - Leverage (Net debt/adjusted EBITDA¹⁾) at 3.1
 - Successful refinancing through the placement of a further corporate bond with a nominal value of € 300 million
-

Others:

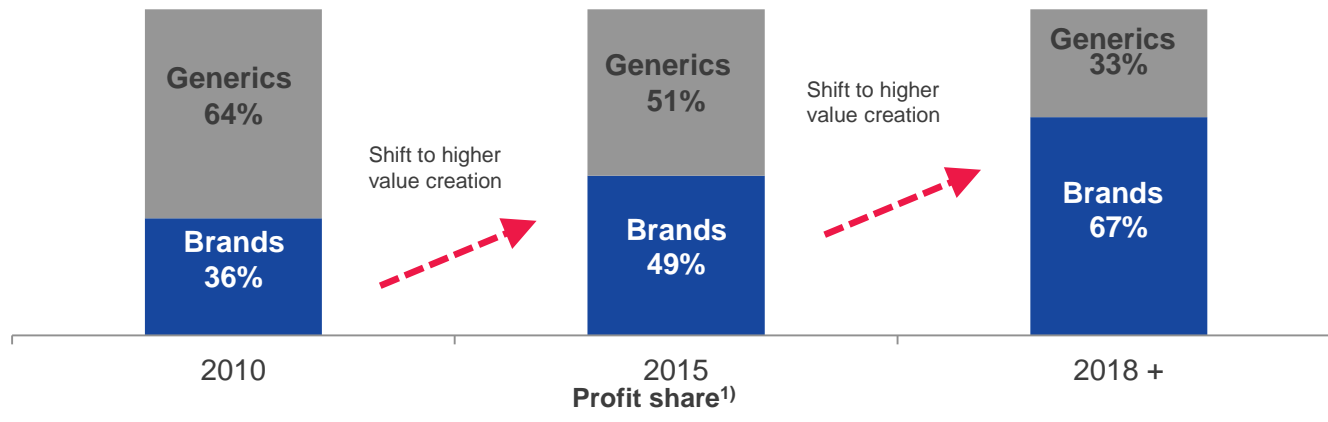
- Legal action against STADA's Serbian subsidiary has been resolved
-

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

Sales split 2015



Strategic and financial plan: Focus on brands with existing generics business



- Shift in business portfolio mix
 - Brands sales growth above market average (CER)²⁾³⁾
 - Generics growth in low single digits percentage (CER)²⁾
 - Accelerated by smart acquisitions focused on brands

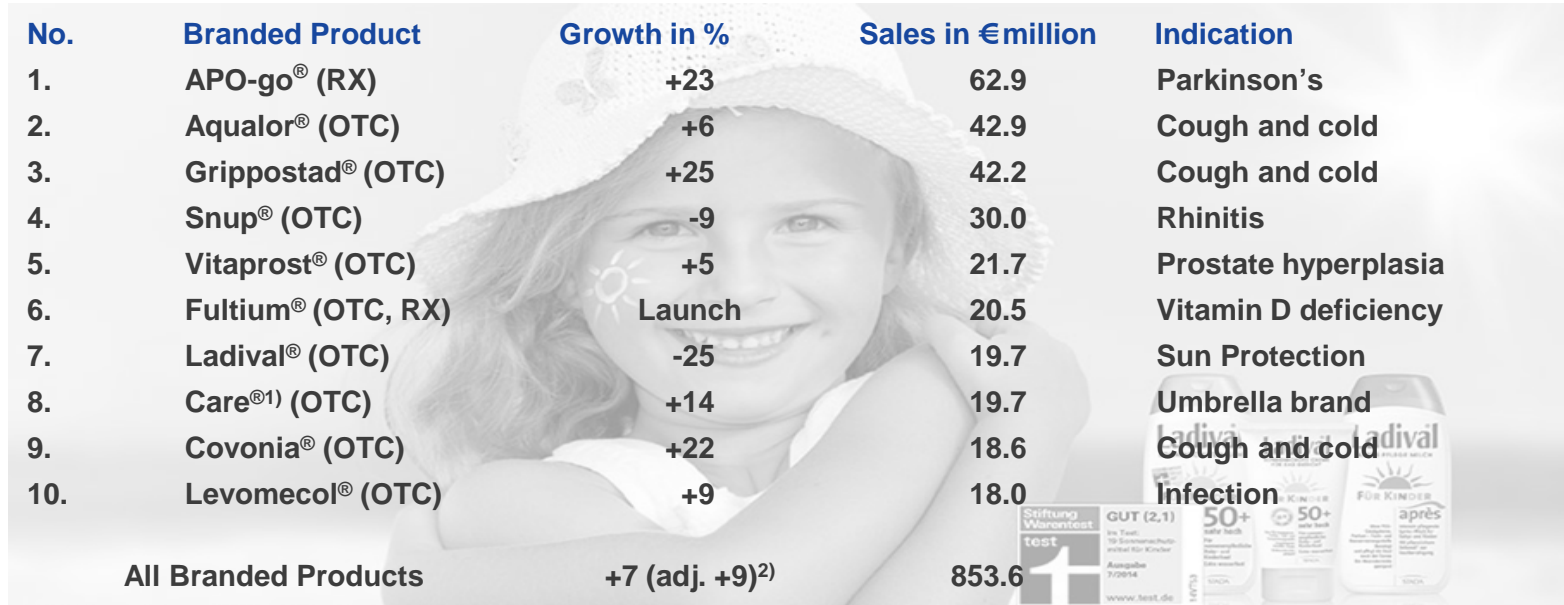
1) Share of adjusted operating profit of the two core segments

2) Using constant exchange rates

3) Global OTC market: 3.6% p.a. by 2020, IMS September 2015

Top 10 brands in 2015

No.	Branded Product	Growth in %	Sales in €million	Indication
1.	APO-go® (RX)	+23	62.9	Parkinson's
2.	Aqualor® (OTC)	+6	42.9	Cough and cold
3.	Grippostad® (OTC)	+25	42.2	Cough and cold
4.	Snup® (OTC)	-9	30.0	Rhinitis
5.	Vitaprost® (OTC)	+5	21.7	Prostate hyperplasia
6.	Fultium® (OTC, RX)	Launch	20.5	Vitamin D deficiency
7.	Ladival® (OTC)	-25	19.7	Sun Protection
8.	Care® ¹⁾ (OTC)	+14	19.7	Umbrella brand
9.	Covonia® (OTC)	+22	18.6	Cough and cold
10.	Levomecol® (OTC)	+9	18.0	Infection
All Branded Products		+7 (adj. +9)²⁾	853.6	



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

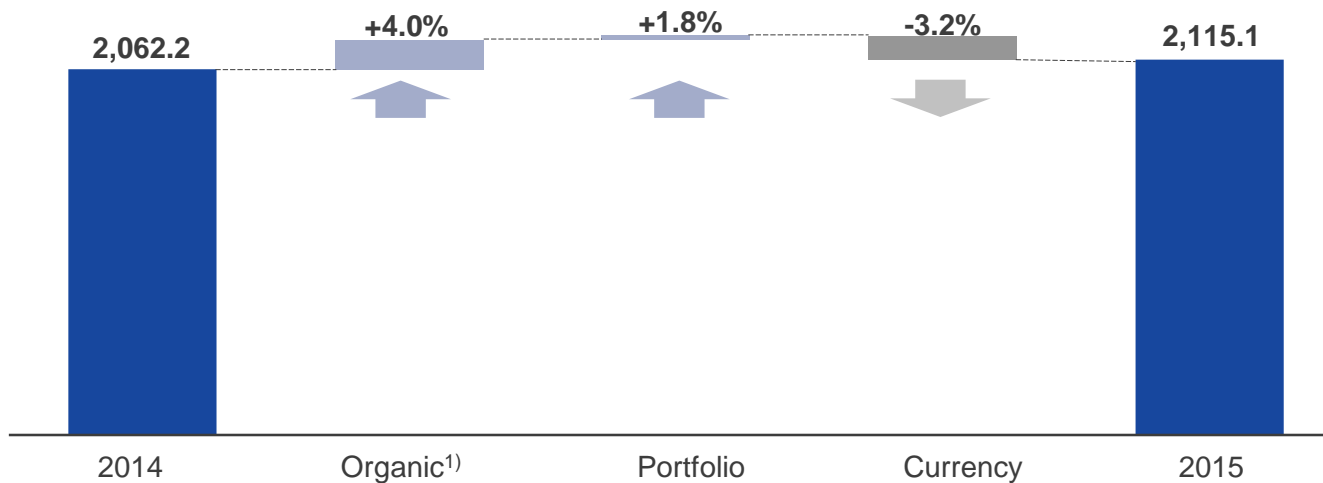
2) Adjusted for changes in the Group portfolio and currency effects

Results 2015 and Outlook 2016

Helmut Kraft

Growth components 2015

Group sales: €2,115.1 million (+2.6%)

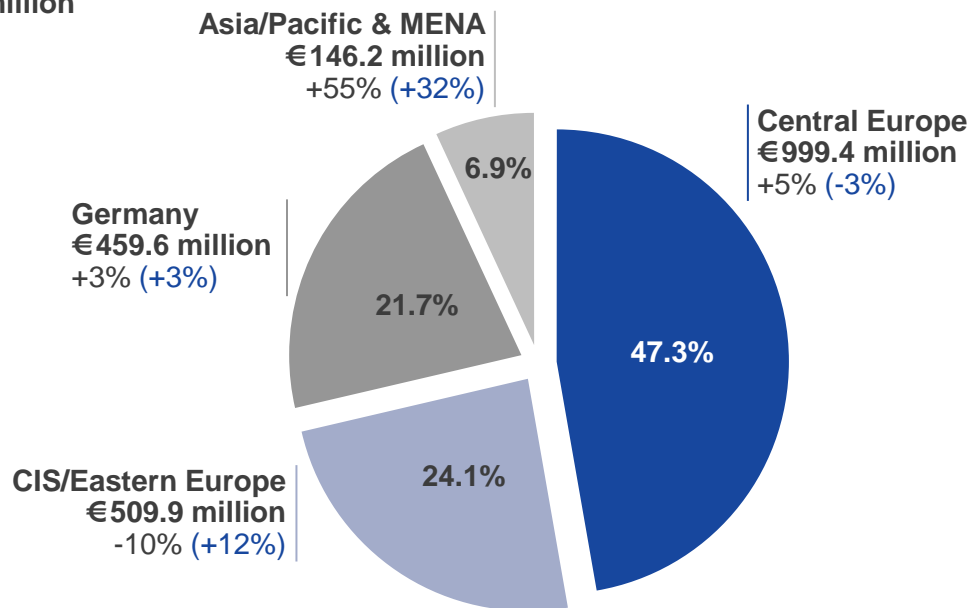


1) Adjusted for changes in the Group portfolio and currency effects.

Sales 2015

By market region

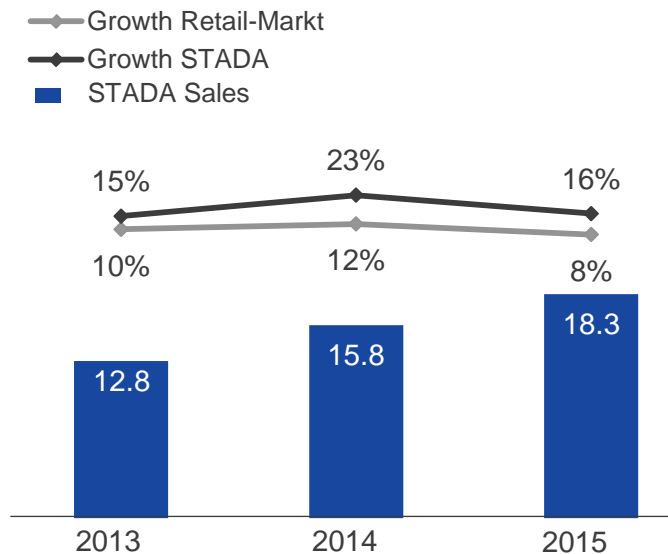
Total group €2,115.1 million
+3% (+4%)



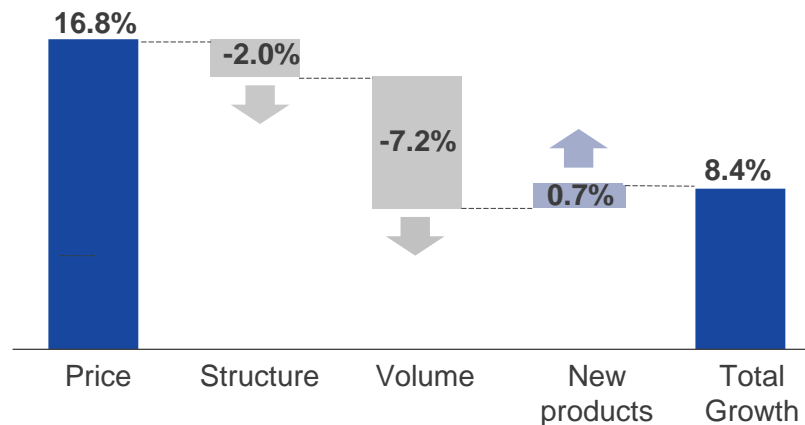
(x) = Adjusted for changes in the Group portfolio and currency effects.

Growth developments in Russia (sell-out)

Development of sales 2013-2015
in RUB billion



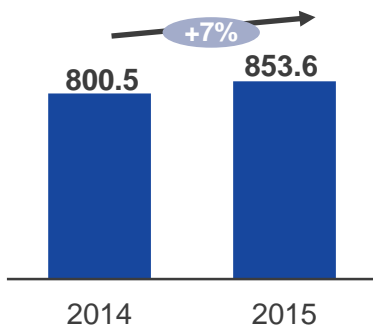
Growth components retail market 2015
In RUB



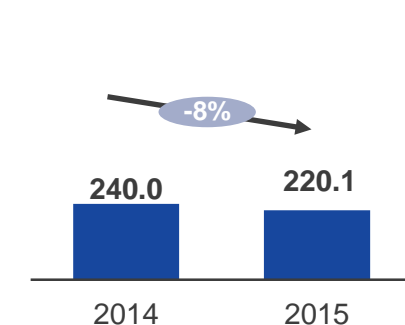
Quelle: IMS Health, DSM Group.

Branded Products

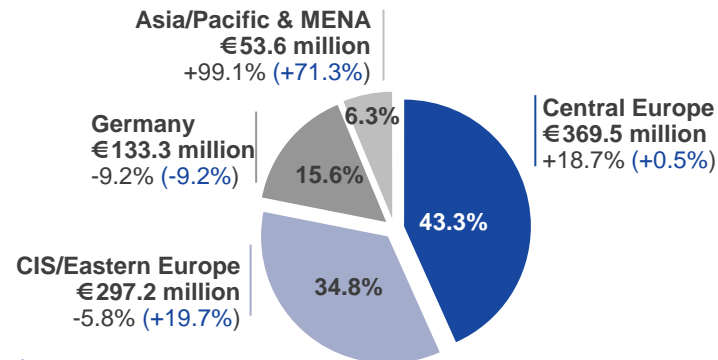
Sales
(in € million)



Adj. EBITDA
(in € million)



Regional sales development



2015

- Organic growth +9%
- CIS burdened by currency weakness
- Thornton & Ross highly dynamic
- APO-go® on growth path
- Germany „Like-for-like“ -1%
- Asia/Pacific & MENA with excellent performance

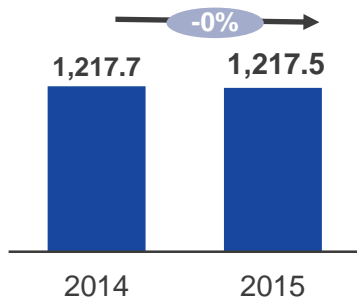
Strategy

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

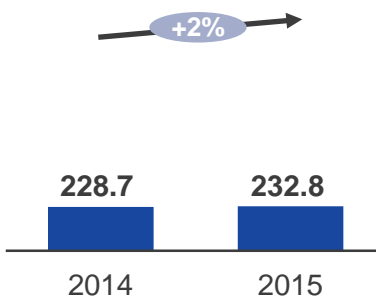
(x) = Adjusted for changes in the Group portfolio and currency effects.

Generics

Sales (in € million)



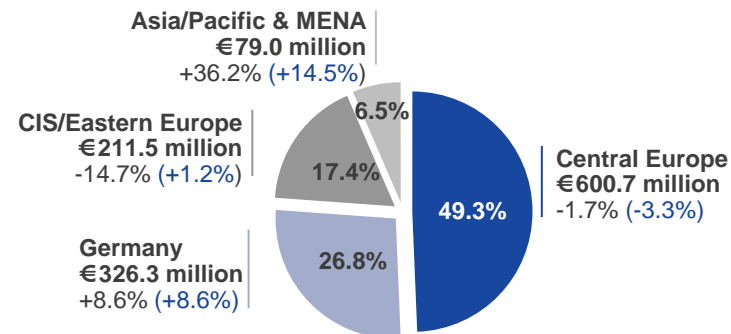
Adj. EBITDA (in € million)



2015

- CIS burdened by currency weakness, subdued demand
- Central Europe affected by temporary reluctance of wholesalers in Belgium, Spain strong
- Germany with improved product mix, focus on costs
- Positive development in Asia/Pacific & MENA

Regional sales development



Strategy

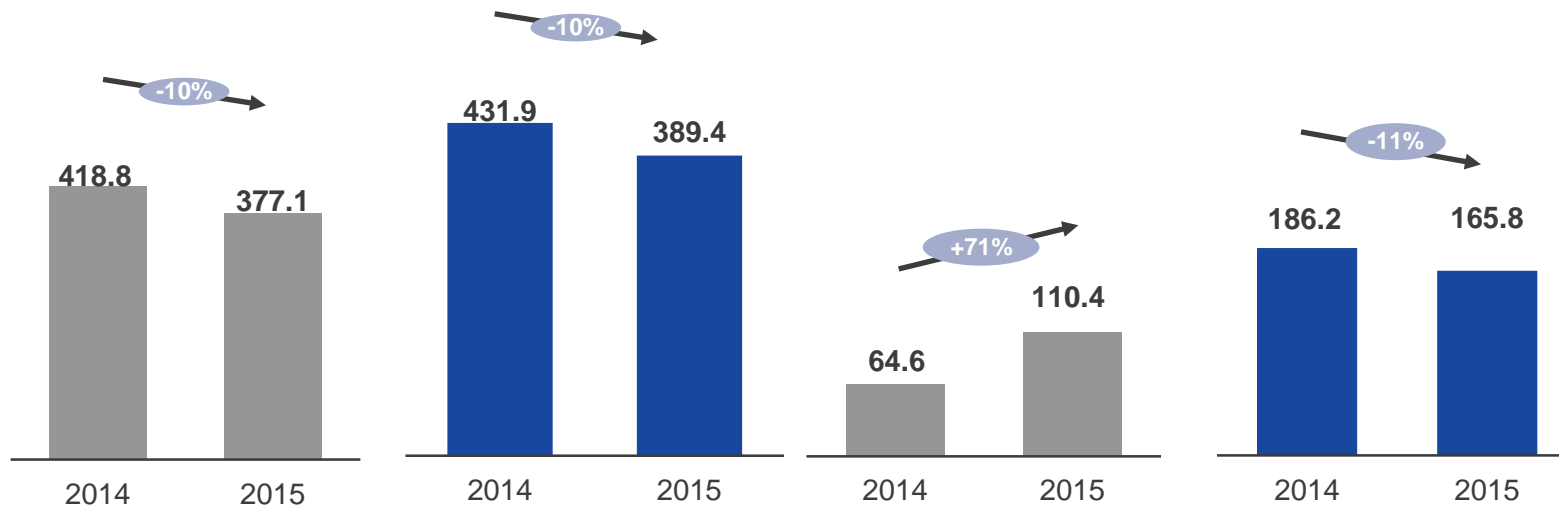
- Focus on growth markets with high share of self payers, e.g. CIS, Asia and MENA
- Develop portfolio of biosimilars based on risk-averse in-licensing approach
- Production focus in Serbia
- Development partnerships

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

Key earnings figures 2015

EBITDA (in €million) 2015 vs. 2014
reported adjusted¹⁾

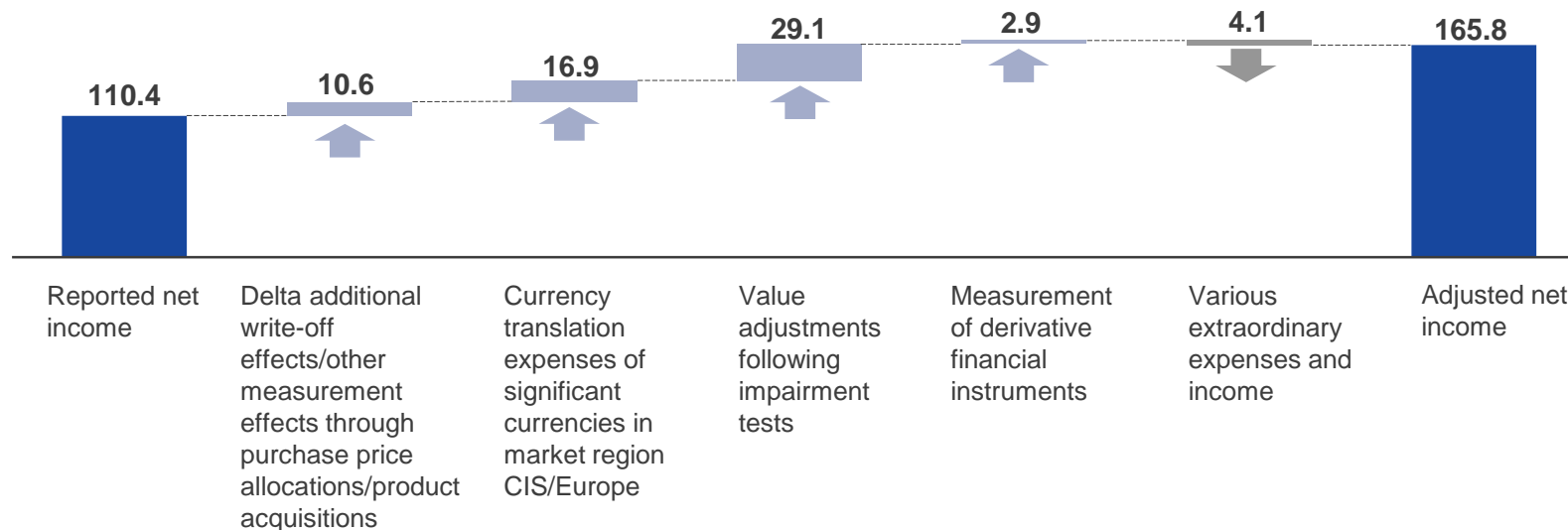
Net income (in €million) 2015 vs. 2014
reported adjusted¹⁾



1) Adjusted for one-time special effects.

Net income adjustments in 2015¹⁾

in € million



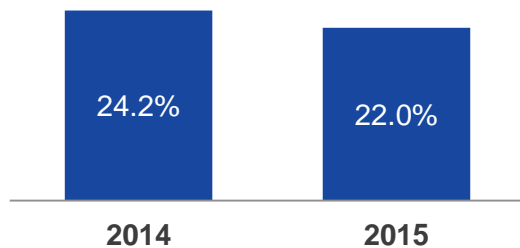
1) For a detailed definition, see STADA's Annual Report 2015.

P&L details 2015

in € million	2015 in € million	2015 in % of sales	2014 in € million	2014 in % of sales	
Gross profit	1.013.4	47.9	991.8	48.1	Burdened by CIS crisis
Selling expenses	482.6	22.8	458.4	22.2	Investments in the British and Italian market
General and administrative expenses	178.4	8.4	152.8	7.4	Previous year: Income in connection with a change to the benefit plan of the Chairman of the Executive Board
R&D expenses	65.0	3.1	56.9	2.8	Project costs APO-go®
Financial Result	-65.9		-63.8		Reduced Interest expenses, but expense burden from derivatives
Taxes on income	40.6		54.6		Adjusted tax rate improved to 22.0% (2014: 24.2%)

Tax efficiency

Development of the adjusted tax rate



Outlook adjusted tax rate



Significant reduction in the tax rate in 2015:

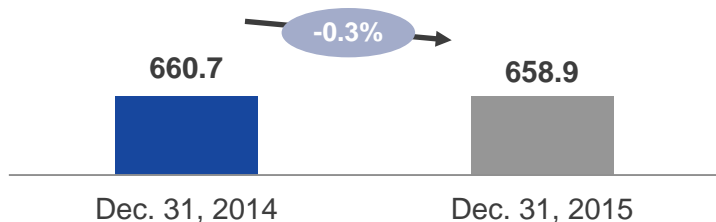
- In 2015, the reported tax rate decreased to 22.0% (previous year: 24.2%), primarily due to a changed profit allocation.

Balance sheet structure

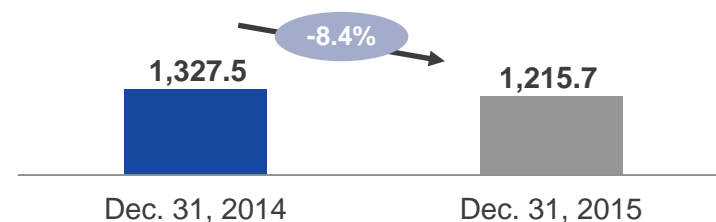
Assets in €million	Dec. 31, 2015	Dec. 31, 2014
A. Non-current assets	2,032.3	2,013.8
B. Current assets	1,255.1	1,321.7
Total assets	3,287.4	3,335.5

Equity and liabilities in €million	Dec. 31, 2015	Dec. 31, 2014
A. Shareholders' equity	1,018.5	903.4
B. Non-current liabilities	1,282.6	1,246.7
C. Current liabilities	986.3	1,185.4
Total equity and liabilities	3,287.4	3,335.5

Net working capital in €million



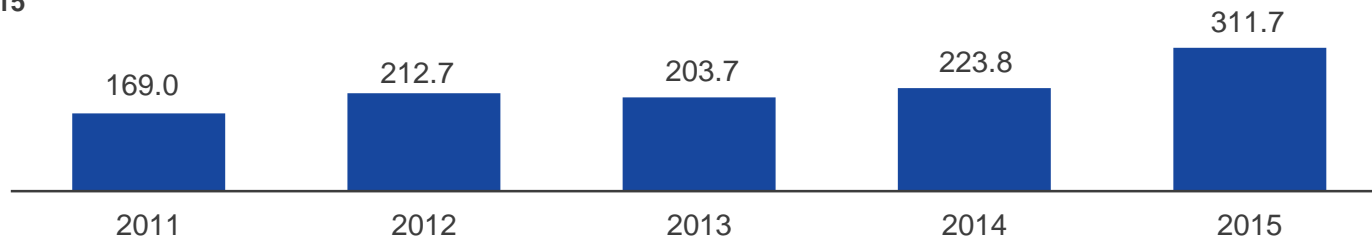
Net debt in €million



Cash flow from operating activities and adjusted free cash flow

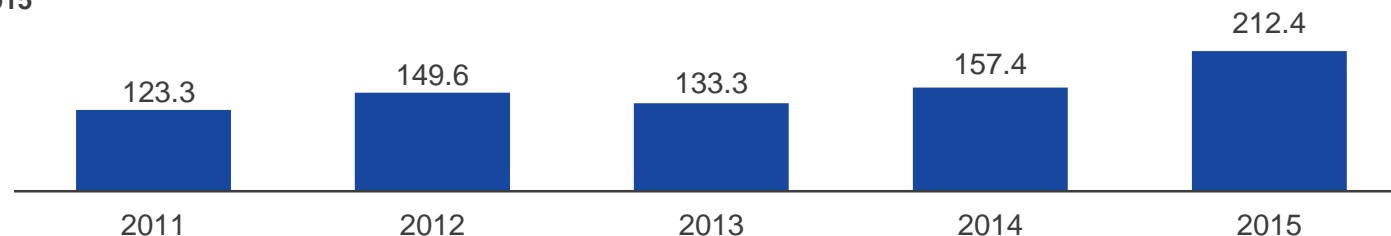
Cash flow from operating activities (in €million)

2011-2015



Adjusted free cash flow¹⁾ (in €million)

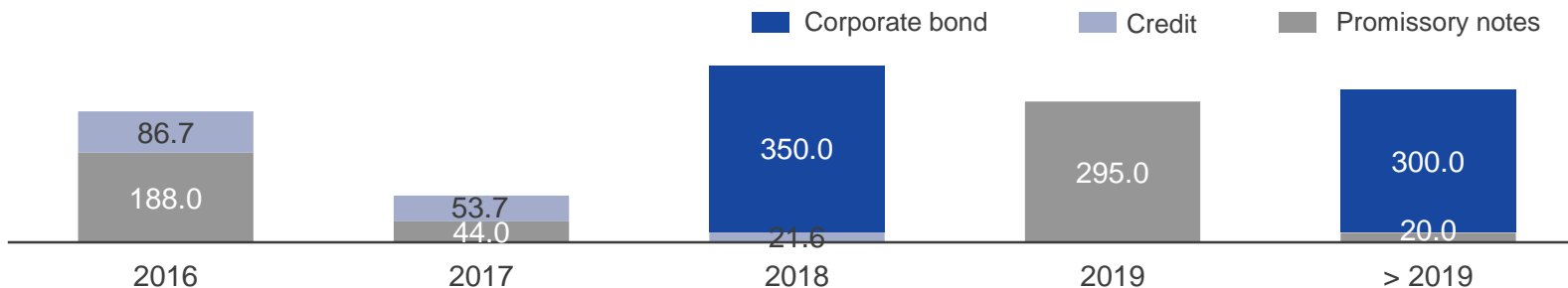
2011-2015



1) Free cash flow comprises cash flow from operating activities and cash flow from investing activities, adjusted for payments for significant investments or acquisitions and proceeds from significant disposals.

Financing structure

Remaining maturities of financial liabilities due to banks as of December 31, 2015 in €million



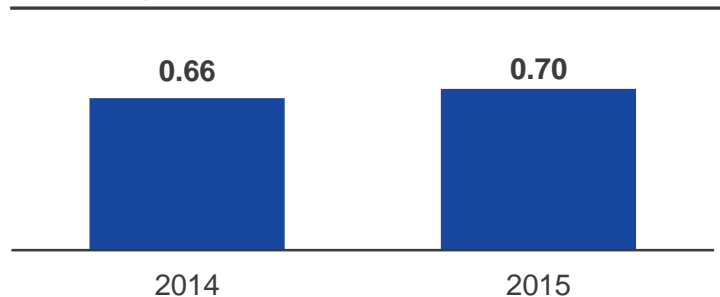
- In the first quarter of 2015, STADA was able to successfully issue a corporate bond with a total nominal value of €300 million and maturity in 2022.
- Net debt to adjusted EBITDA ratio¹⁾: 3.1²⁾ (2014: 3.1²⁾)
- Cash and cash equivalents including current securities: € 143.2 million (December 31, 2014: € 164.2 million)
- Access to firmly committed credit lines from banking partners for many years

1) Adjusted for one-time special effects.

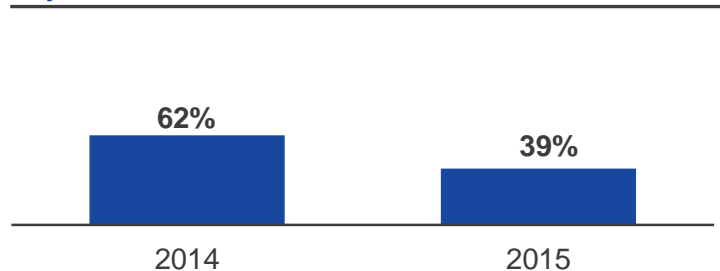
2) Net debt to adjusted EBITDA ratio in the reporting period

Dividend proposal

Dividend per STADA common share in €



Pay-out ratio



Dividend payout

2015: € 43.6 million
(2014: € 40.0 million)

Dividend policy

Appropriate share of reported net income to shareholders

Assumptions for market regions for 2016

Operational influence factors	
Central Europe	<ul style="list-style-type: none"> • Sales growth, operating profitability at Group average • Positive development of the top markets of UK, Belgium, Italy and Spain with relatively high profitability • UK: strong dynamic at Thornton & Ross and Britannia (Apo-go®), weak pound sterling
Germany	<ul style="list-style-type: none"> • Decreasing sales due to gradual withdrawal of STADApHarm from the discount agreement business, improved operating profitability, however, below Group average • Brands relatively stable
CIS/Eastern Europe	<ul style="list-style-type: none"> • Sales growth in local currency, operating profitability adjusted for negative currency effects above Group average • Burdens from currency weakness and reluctance to buy; sales growth in Russia in local currency
Asia/Pacific & MENA	<ul style="list-style-type: none"> • Sales growth, operating profitability above Group average • Substantial sales growth in Vietnam, China and MENA

Group outlook

2016

- Slight growth in sales adjusted for currency and portfolio effects
 - Slight growth in adjusted EBITDA and adjusted net income
 - Ratio of net debt, excluding further acquisitions, to adjusted EBITDA at a level of nearly 3
-

Q1/2016

Subdued development

- Significant currency weakness in CIS/Eastern Europe
 - British pound sterling burdened by possible Brexit
-

Strategic Initiatives

Hartmut Retzlaff

Strategic initiatives

Withdrawal of STADApHarm from the tender business

- Previously concluded contracts, some of which continue until 2017, will still be fulfilled by STADApHarm
 - Remaining sales companies will participate in tenders for discount agreements with the aim of appropriate operating profitability
 - Clearly positive effect on the profitability of the German Generics segment (improved product mix)
-

Outsourcing of logistics

- Handing-over of the German logistics activities to the globally leading logistics company DHL
 - Partial transfer of operations comprises the STADA logistics activities at the Florstadt and Bad Vilbel locations
 - Focus on core business
-

Founding of STADA Aesthetics

- Expansion of the aesthetics area through cooperation with CROMA-PHARMA; access to existing product range and pipeline (botulinum, among other things)
-

Strengthening of the aesthetics area

Cooperation with CROMA-PHARMA

- Expansion of the business activities in the area of aesthetic dermatology with above-average growth potential
- Broad product range under the premium brand Princess: hyaluronic acid-based fillers, facial masks, serums and lifting threads
- Attractive product pipeline: botulinum toxin A, currently in phase III of approval studies
- Exclusive brand licensing rights and additional distribution rights in selected European countries and Hong Kong
- Marketing via large, specialized dermatologist practices
- Purchase price for the acquisition of the existing sales companies, the exclusive brand licensing or sales rights and the access to the pipeline: single-digit million euro range; if botulinum is approved, an additional payment in this range will be due.
- Current sales in contract area: high single-digit million euro range; EBITDA margin above Group average



Expansion of the biosimilar portfolio

Risk-limited licensing strategy – focus on marketing & sales

- Since 2008: In-house development of Silapo® (Epoetin zeta)
- Since 2014: Marketing of Grastofil® (Filgrastim) in cooperation with Apotex
- In the EMA approval process: Reriparatid with Richter-Helm
- In the EMA approval process: Pegfilgrastim with Gedeon Richter
- License agreement for Rituximab in cooperation with Gedeon Richter



Gegen Neutropenie nur eines im Kopf:
Grastofil®

Ganz frisch für Ihre Patienten:
Ohne Rührung
einmalig 7 Tage
zu Hause
haltbar*

Grastofil® – Der Neuzuwochs bei den Biosimilars

- unterstützt Ihre onkologische Therapie
- mit der langjährigen Kompetenz von cell pharm
- damit Zukunft wachsen kann

cell pharm
Spezialtherapie mit Zukunft
STADA
KORREKT

* Einmalige Anwendung des 300 µgigen Neutropenie-Zunehmehormons Grastofil® ist über 7 Tage haltbar, was insbesondere bei der ambulanten Therapie von Patienten mit Neutropenie eine erhebliche Erleichterung darstellt. Grastofil® ist ein Biosimilar zum Referenzarzneimittel Filgrastim (Neupogen®) und wird in Form eines 300 µgigen Injektionsstoffs in einer Einzeldosis als 10 ml Lösung angeboten. Grastofil® ist ein Biosimilar zum Referenzarzneimittel Filgrastim (Neupogen®) und wird in Form eines 300 µgigen Injektionsstoffs in einer Einzeldosis als 10 ml Lösung angeboten. Grastofil® ist ein Biosimilar zum Referenzarzneimittel Filgrastim (Neupogen®) und wird in Form eines 300 µgigen Injektionsstoffs in einer Einzeldosis als 10 ml Lösung angeboten.

Financial Calendar 2016

May 12, 2016 Publication of Q1/2016 results

June 9, 2016 Annual General Meeting

August 4, 2016 Publication of 2016 interim results

October 2016 Capital Markets Day

November 10, 2016 Publication of Q3/2016 results

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