

The logo for STADA, featuring the word "STADA" in a blue, sans-serif font, centered between two curved, magenta-colored lines that form a partial oval shape.

STADA

Investor Update
Investor Relations, July 2016



General Information

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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 Statements

This STADA Arzneimittel AG (hereinafter "STADA") presentation 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 does not assume any obligation to update these forward-looking statements.

The Executive Board of STADA Arzneimittel AG:

Dr. M. Wiedenfels (Chairman), H. Kraft

Agenda

I. Moving Forward

II. STADA Today

III. Performance Update

Appendix

Moving Forward

Five Focus Points to Create Long-Term Value for Shareholders

- 1 Align Strategy with Operations
- 2 Optimize Operational and Reporting Structure
- 3 Propose Capital Allocation Strategy
- 4 Review Business Plan and Guidance
- 5 Further Improve Focus and Accountability

STADA's Program to Improve Performance

Linked initiatives

Untapped Growth Potential	Overhaul Organization <ul style="list-style-type: none"> • Strong Gx and Branded Products Business Units • Change incentive model
	Drive Organic Growth <ul style="list-style-type: none"> • Funds for Branded Products internationalization • Focused set-up for evaluating/implementing growth options
Cost Reduction	Streamline Portfolio <ul style="list-style-type: none"> • Refocus marketing • Reduce cost and complexity in the supply chain • Appropriate R&D maintenance cost
	Increase Efficiency <ul style="list-style-type: none"> • Optimize sourcing of finished goods and APIs • Tackle G&A cost

Committed Targets 2019

Sales

- Grow Group Sales to €2,600m

Net Income

- Grow adjusted Group Net Income to €250m

Details Will be Communicated at Capital Markets Day on 05-Oct-2016

Mid-Term Guidance 2019

Assumptions

- Constant exchange rates
- Before portfolio effects
- Stable tax environment and current interest levels in STADA's markets
- Assuming stable regulatory environment
- Guidance range: +/- 5%

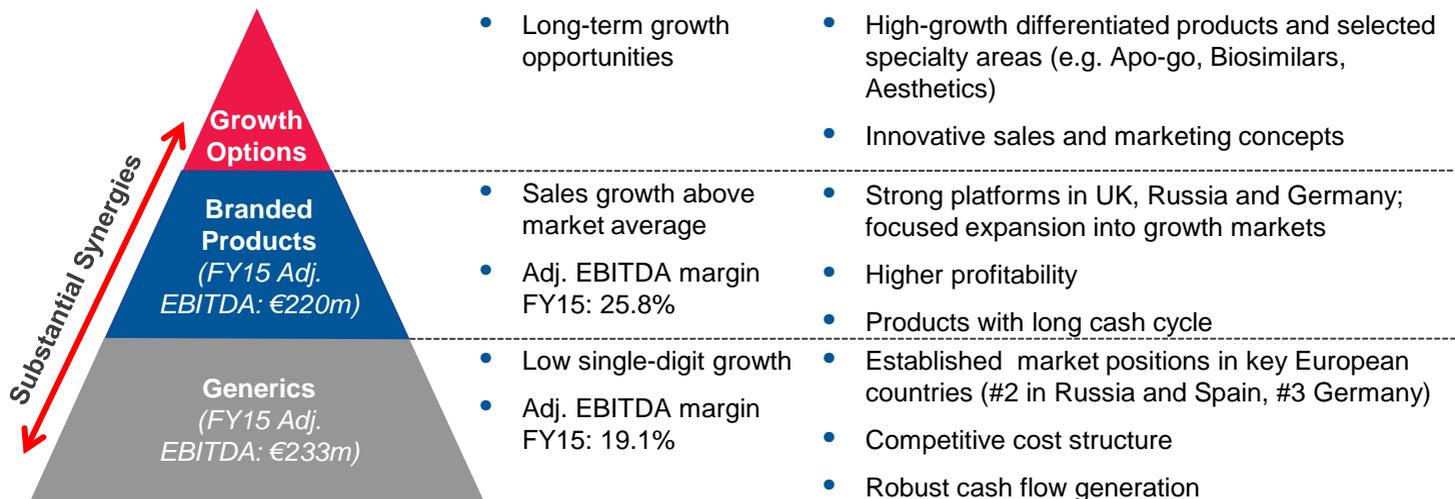
Sales	€2,600m	CAGR 2015 - 2019: 5%
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EBITDA (adj.)	€510m	CAGR 2015 - 2019: 7%
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Net Income (adj.)	€250m	CAGR 2015 - 2019: 11%
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STADA Today

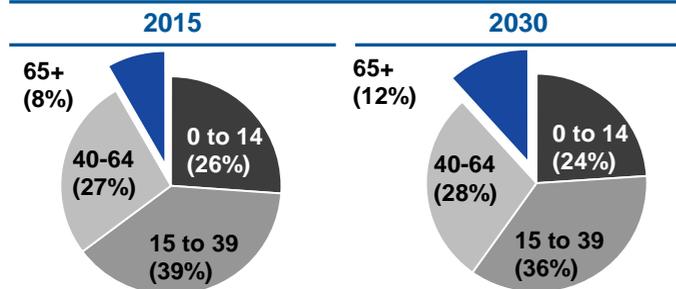
STADA – Clear Strategy for Continuous Growth



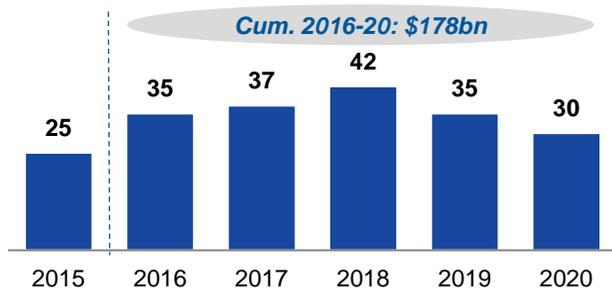
A Highly Efficient, Cash-generative Generics Business to Support Continued Branded Products Growth

Generics is our “Bread-and-Butter” Business Poised for Growth

Ageing Population

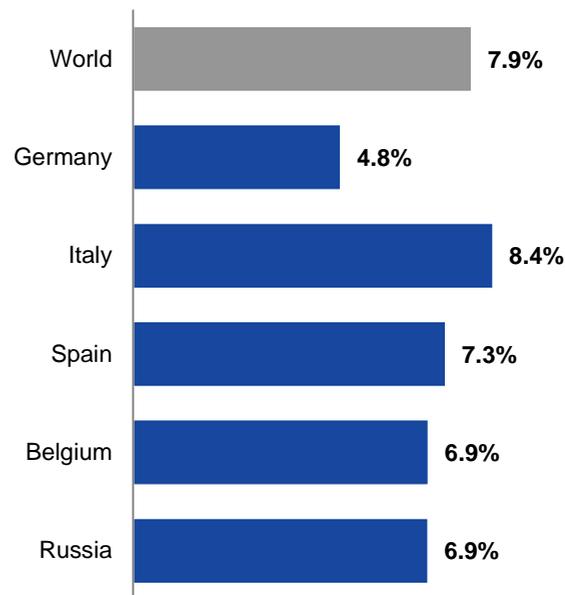


Patent Expiration in Developed Markets (\$bn)¹



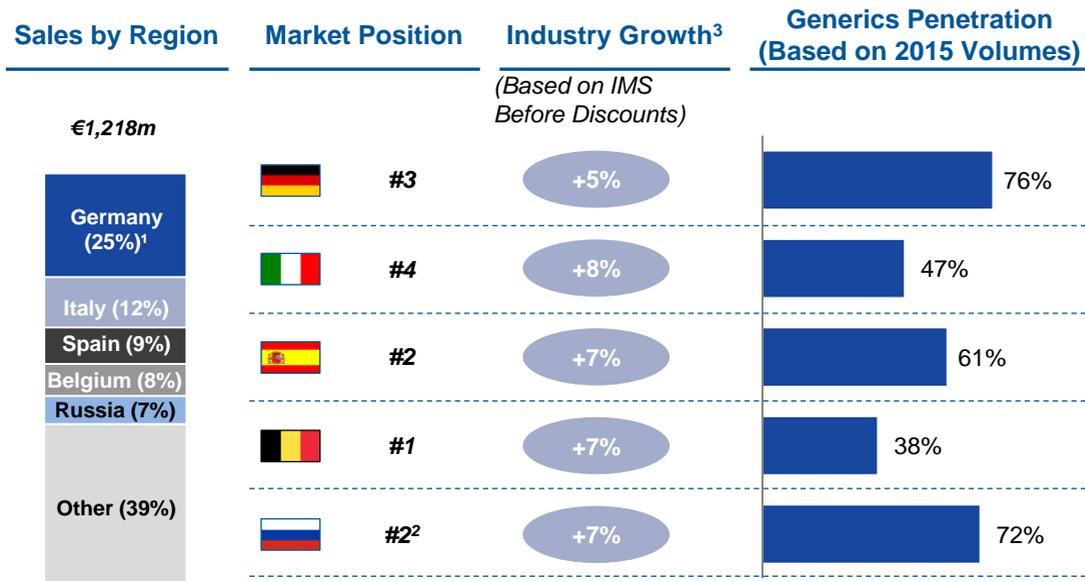
Expected Generics Market Growth in Selected Countries

CAGR 2015-2020 (Based on IMS Before Discounts)



Source: IMS, Euromonitor; 1) Reflects lower brand spending including biologic at constant US\$bn.

Our International Generics Business is Positioned in Highly Attractive Markets



- Leading market positions in key Western and Eastern European Generics markets
- Benefit from attractive market growth
- Trend of increasing Generics penetration in STADA's key markets

Generics Sales FY15

1) Excluding export sales of the market region Germany. 2) Local manufacturers/producers. 3) Reflects 2015-20 CAGR. Source: IMS

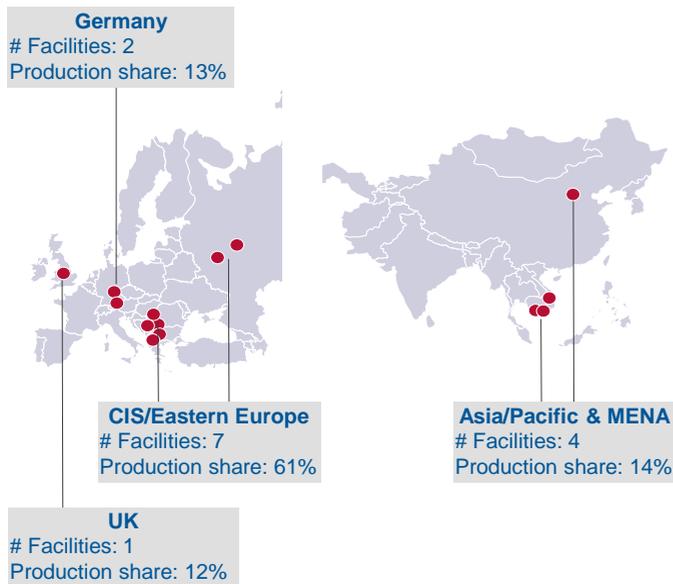
We Benefit from our Local Market Expertise to Compete in Heterogeneous Market Environments

Type of Decision Maker	Public Health Insurer	Doctor	Pharmacy	Patient/Out-of-Pocket
Description	<ul style="list-style-type: none"> Tender scheme with price-driven tender award 	<ul style="list-style-type: none"> Doctors' prescriptions 	<ul style="list-style-type: none"> Based on INN prescription pharmacists decide what to dispense 	<ul style="list-style-type: none"> Patients make purchasing decisions, mostly based on (1st) prescription
Example				
STADA's Go-to-Market	<ul style="list-style-type: none"> Sophisticated tender management (without sales force) 	<ul style="list-style-type: none"> Sales force targeting doctors 	<ul style="list-style-type: none"> Sales force targeting pharmacies 	<ul style="list-style-type: none"> Sales force targeting patients indirectly via doctors
Market Specifics	<ul style="list-style-type: none"> Focus on supply capability to guarantee swift product availability 	<ul style="list-style-type: none"> Importance of strong company brand 	<ul style="list-style-type: none"> Discounts at the retail level 	<ul style="list-style-type: none"> Supportive sales force promotion to pharmacies

STADA serves 30+ Markets with its Individual Sales and Portfolio Approach to achieve growth

We Will Excel because of our Cost Position and Efficiency Focus

Geographic Footprint of Key Production Facilities

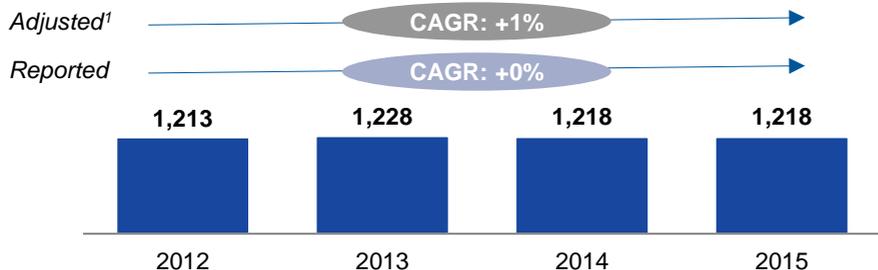


Active Production Portfolio Management

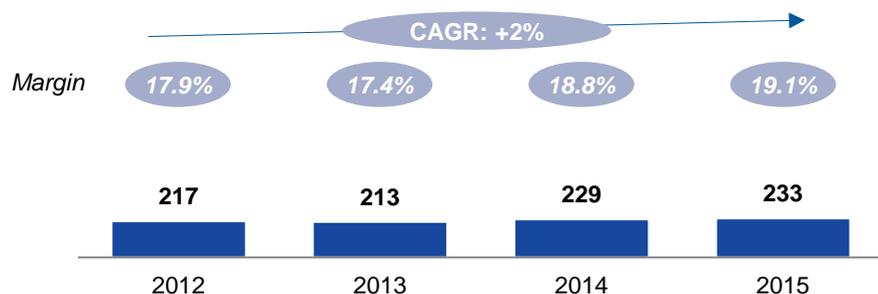
- 75%
75% of production volume manufactured in low-cost countries (vs. 66% in 2009)
- 50%
50% increase of in-house production volumes since 2011
- High
High utilization of manufacturing plants achieved – cost-efficient setup in place
- Flexible
Flexible API and Finished Goods sourcing with focus on low-cost countries/Asia
- Optimal
Optimal balance between in-house and flexible third party sourcing
- >€80m
Cost savings realized through btf and ongoing optimisation

We Have Stabilized our Generics Business at a High Profitability Level Despite Headwinds

Historical Sales Performance (in €m)



Historical Adj. EBITDA Performance (in €m)



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

Comments

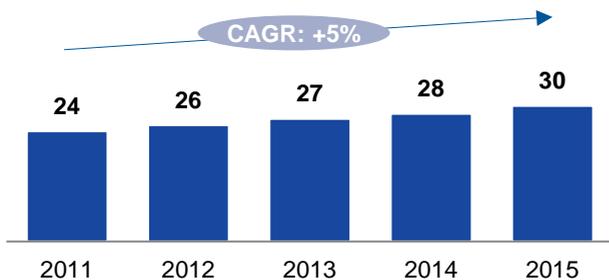
- Volume development compensates for price declines
- Currency effects negatively impacted growth in CIS/Eastern European countries
- Despite continuous pricing headwinds stabilized margin with continuous cost improvements
- Key profitability drivers represent
 - Sourcing cost reductions
 - Manufacturing focus on low-cost countries

Branded Products Segment Delivers Profitable Growth with a Long Cash Cycle

Key Demand and Supply Drivers

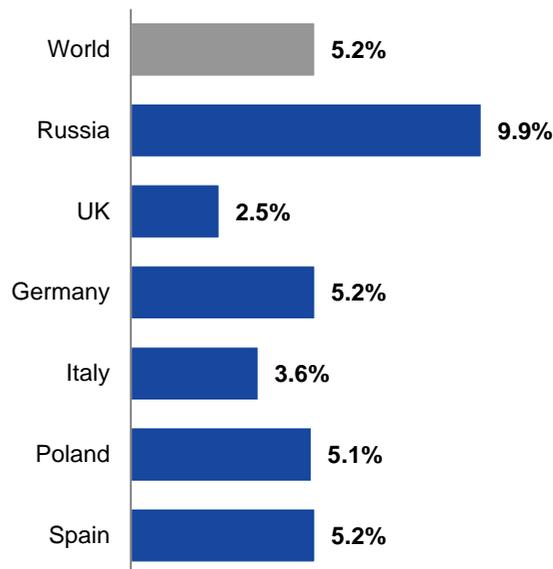


Non-Rx Bound Product Sales in Europe (LC\$bn)¹



OTC Market Growth Forecasts

CAGR 2015-2020 (Based on IMS)



Source: IMS. 1) Ex-manufacturer sales in local currency dollars.

We Have Established a Strong Branded Products Platform with Leading Brands

Strong Platforms in UK, Russia and Germany

Country	FY15 Sales/ Growth ¹	Full Local Platform	Leading Local Brands
	• €212m (+14% vs. '14)	✓	 Aqualor Vitaprost
	• €168m (+9% vs. '14)	✓	 Apo-Go Cetraben
	• €123m ² (-1% vs. '14)	✓	 Ladival Grippostad
Other Countries	• €351m	Multiple	

Strong Established Platforms in Key European Countries and Access to Attractive Growth Markets

1) Adjusted for changes in the Group portfolio and currency effects. 2) Excluding export sales of the market region Germany. Sales growth in 2015 negatively impacted by weak summer in Germany.

Internationalization of Leading Brands

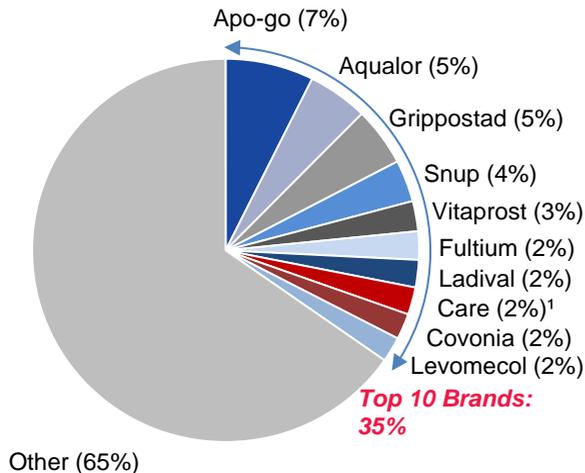
 Apo-go (Parkinson's) 31 Countries	 Hedrin (Head Lice) 43 Countries	 Radian B (Muscular & Joint Pain) 34 Countries
 Ladival (Sun Protection) 24 Countries	 Grippostad (Cough and Cold) 29 Countries	 Vitaprost (Prostate Hyperplasia) 14 Countries
 Snup (Rhinitis) 18 Countries	 Chondroxid (Muscular & Joint Pain) 13 Countries	 Hexicon (Antiseptic) 14 Countries

Internationalization of Branded Products from Core Platform Markets

Our Branded Products Business is Diversified with Leadership Positions in their Markets

Branded Products Sales by Brand

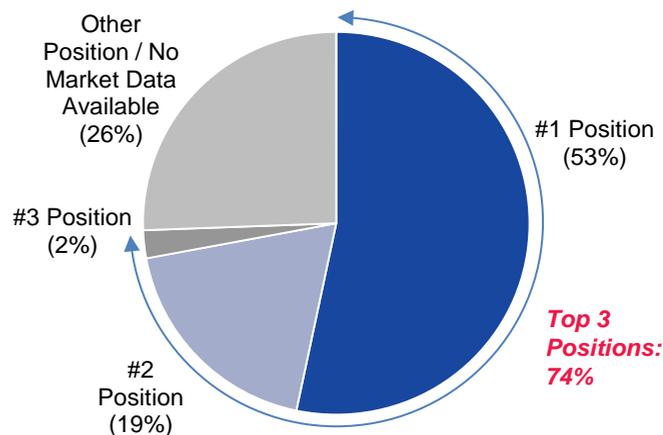
Branded Products: €854m Sales in 2015



Diversified Sales Base at Product-level with Top 10 Products Constituting c. 35% of FY2015 Sales

Top 30 Branded Products by Market Position

Top 30 Branded Products: €540m Sales in 2015²



Among Top 30 Branded Products 74% of Sales is Generated from Products with Top 3 Market Positions³

1) Umbrella brand for various indications such as a.o. skin care, cold medicine, gastrointestinal disease, pain medication. 2) Reflects 63% of Branded Products Sales of €854m in 2015. 3) Relates to market positions in each respective country.

Our Strong Brands Target the Most Attractive Indications

	Cough and Cold	Skin Treatments/ Cosmetics	Vitamins, Minerals & Nutritional Supplements	Pain	Others
Selected Products	<p>аквалор Aqualor®</p> <p>Grippostad^C</p> <p>SNUP[®]</p> <p>COVONIA</p>	<p>Ladival</p> <p>Multilind[®] HIF der Haut.</p> <p>Cetraben[®] As close to your skin as you are</p> <p>ZeroDerma[®]</p> <p>Flexitol.</p>	<p>Fultium[®]-D₃</p> <p>Magnetrans[®]</p> <p>EUNOVA[®]</p> <p>Curazink[®]</p> <p>DAOSin[®]</p>	<p>Mobilat[®] Tramal[®]</p> <p>versatis[®] VA INHIBITOREN DER PAIN ZALIEPITE GDJE BOLII</p> <p>ZALDIAP[®]</p> <p>Transdermalni koprostatin Transtec[®] Za kontrolu kronične boli</p> <p>PALEXIA[®]</p>	<p>АРО-го </p> <p>Витанпрост[®] 15 15 mg Vitanprost®</p> <p>ЛЕВОМЕКОЛЬ[®] Levomecol®</p> <p>Hedrin[®] Hoggar[®]</p> <p>HIRUDOID[®]</p>
Selected Market Positions	<p>#1 Cough & Cold</p> <p>#1 Cough & Cold</p> <p>#1 Cough & Cold</p> <p>#2 Rhinitis</p>	<p>#1 Sun Protection¹⁾</p> <p>#2 Foot Treatment</p> <p>#5 Sun Protection¹⁾</p> <p>#5 Skin Eczema & Dry Skin</p>	<p>#1 Vitamin D3</p> <p>#1 Zinc Deficiency</p> <p>#1 Dietary Supplement</p> <p>#3 Dietary Supplement</p>	<p>#1 Muscular & Joint Pain</p> <p>#1 Non-Narcotics & Anti-Pyretics</p> <p>#1 Narcotics</p> <p>#1 Non-Narcotics & Anti-Pyretics</p>	<p>#1 Parkinson's</p> <p>#1 Anti-Bleeding</p> <p>#1 Inflammation of the Veins</p> <p>#2 Prostate Hyperplasia</p>

Note: Market positions reflect STADA estimates based on market data provided by various international market research institutes.

1) In pharmacies.

Buy-and-Build Case Study: Acquisition of Thornton & Ross (T&R)

T&R at a Glance

Transaction Details

- Acquired in Aug-2013
- Purchase price: € 226m¹
- Transaction multiple: 10.3x 2013A EV/EBITDA

Key Highlights

- #5 OTC Player in UK
- Strong OTC franchise
- Wide variety of indications (including Cough & Cold, Pain, Derma)

Synergistic Platform Effects

STADA Brands via T&R

- **2015 Sales²:** €28m
- **Key Brands:**

Ladival

(Launch: 2015)

Cetraben[®]
As close to your skin as you are

Mobilat[®]

T&R Brands via STADA

- **2015 Sales²:** €5m
- **Key Brands:**

RadianB

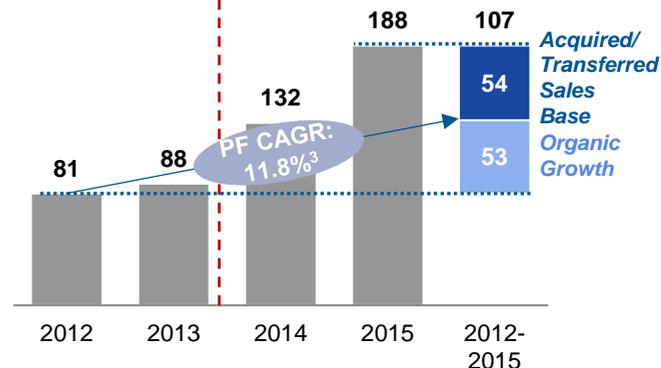
Hedrin[®]

(Launch in Italy: 2015)

Strong Organic Growth

(in €m)

Aug-13: Acquisition by STADA



Leveraging Platform

- Integration of STADA's UK business into T&R (2014)
- Bolt-on acquisitions: Flexitol (2014) and Fultium (2014)

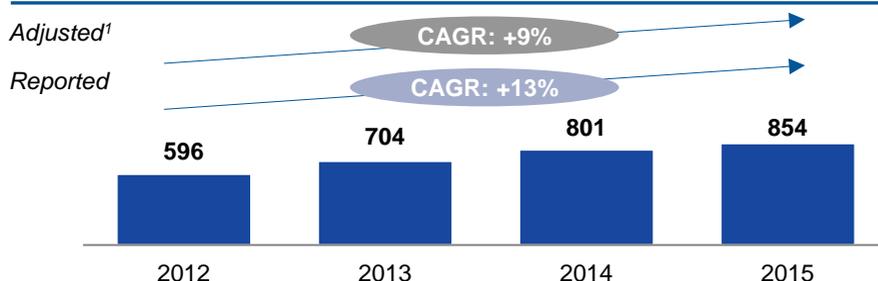


Total sales contribution of €54m through transfer/acquisitions

1) Cash and debt-free basis. 2) Total incl. smaller brand sales. 3) Excluding transfer/M&A and FX-adjusted. Actual 2012-15 CAGR of c. 32%.

We Have Significantly Expanded our Branded Products Business over the Last Several Years

Historical Sales Performance (in €m)



Historical Adj. EBITDA Performance (in €m)



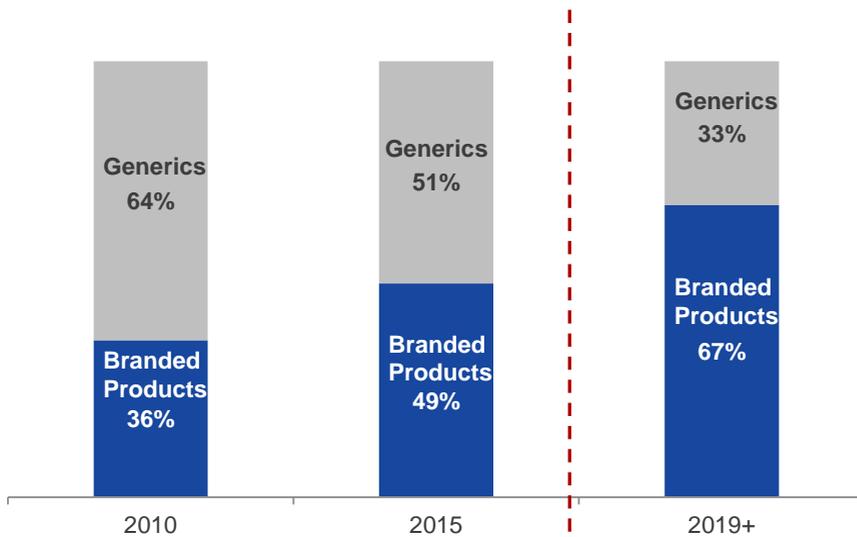
Comments

- Significant sales increase driven by strong organic growth of c. 9% p.a. in 2012-2015
- In addition targeted acquisitions focusing on high-margin OTC product portfolio and/or growth markets
- Strong performance dynamics of Thornton & Ross
- Track record of high level of profitability with adj. EBITDA margin between 30% and 32% in 2012-2014
- Lower adj. EBITDA margin in 2015 due to currency effects (largely related to CIS/Eastern Europe)

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

The Profit Contribution from our Branded Products Business Is Set to Further Increase

Branded Products' Share of Adj. Operating Earnings¹



Comments

Branded Products' earnings share has increased from 36% in 2010 to 49% in 2015 driven by

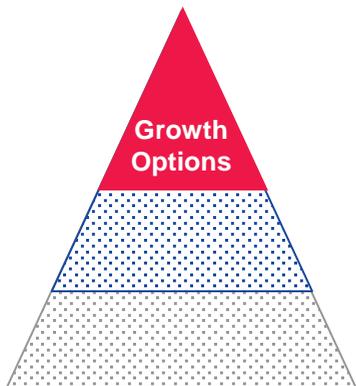
- Strong organic growth
- Growth through selected brand acquisitions (e.g. Thornton & Ross)

STADA intends to further expand its Branded Products segment through

- Internationalization of leading brands
- Targeted brand acquisitions

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

Focus on Growth Options



Selected Speciality Areas



Biosimilars
(Risk-averse strategy of biosimilar in-licensing)



Aesthetics
(Expansion in aesthetic dermatology)



Apo-go
(Drug/device combination with nurse service for Parkinson's disease)



Daosin
(Acquisition in 2015; only product on market for Histamine intolerance)



Socialites
(T&R entering market for electronic vaping/smoking cessation with acquisition of Socialites in Dec-2015)

Future Innovative Concepts

Product innovations in attractive niche markets

Value-added concepts

Innovative Go-to-markets concepts

Growth Options will add more than €200m in the next five years

Growth Options: Product Pipeline Biosimilars

Portfolio expansion

- Marketing and sales are STADA's strengths, therefore in-licensing of biosimilars rather than own development
- Avoidance of high R&D costs – milestone payments backloaded and performance related; risk-averse strategy


 Strategic partnerships allow the possibility of benefiting from the huge market potential of biosimilars



- Epoetin zeta (Silapo®) – since 2008 (STADA/Bioceuticals)
- Filgrastim (Grastofil®) – since 2014 (Apotex)
- Pegfilgrastim – in EMA approval process (Gedeon Richter)
- Teriparatid – in EMA approval process (Richter-Helm)
- Rituximab (Gedeon Richter)
- Adalimumab (mAbxience)

Growth Options: Strengthening of the Aesthetics Area

Cooperation with CROMA-PHARMA

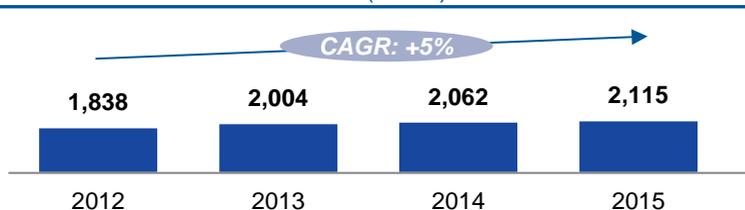
- Expansion of the business activities in the area of aesthetic dermatology with above-average growth potential
- Broad product range under the premium brand Princess: hyaluronic acid-based fillers, facial masks, serums and lifting threads
- Attractive product pipeline: botulinum toxin A, currently in 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



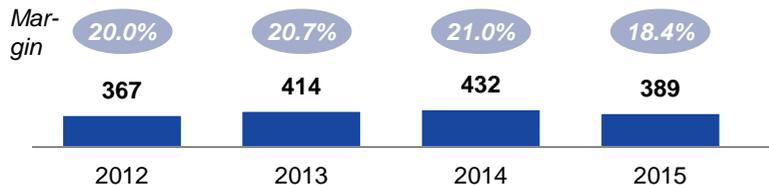
Performance Update

Group Performance – Significantly Improved Cash Flow Generation

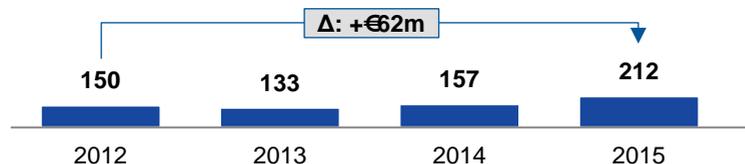
Sales (in €m)



Adj. EBITDA (in €m)



Adj. Free Cash Flow (in €m)



Comments

- Continued top-line growth with 2012-15 CAGR of 5%
- Branded Products segment as key sales growth driver
- Stable adj. EBITDA margin; reduction in 2015 largely driven by FX effects, notably from CIS/Eastern Europe
- Significant NWC improvements (38% of sales in 2012 vs. 31% in 2015)
- Free cash flow generation significantly increased since 2012

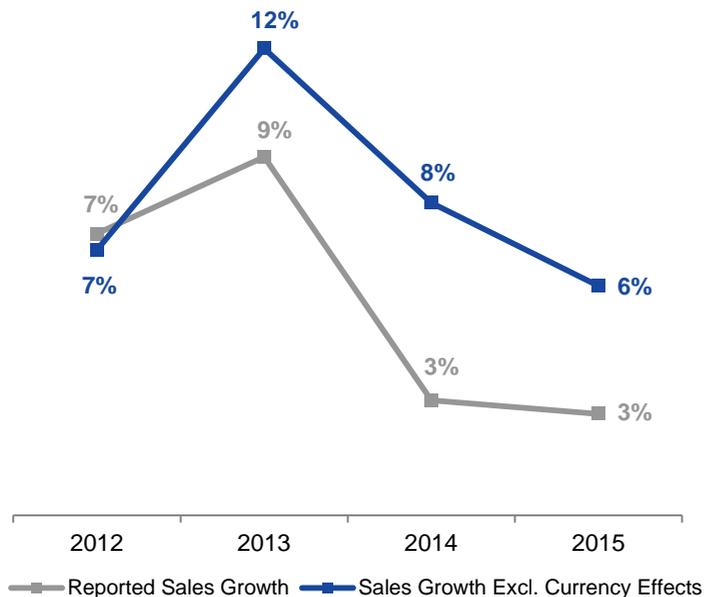
Outlook 2016

- Slight growth in sales¹, adj. EBITDA and adj. net income
- Ratio of net debt² to adj. EBITDA at a level of nearly 3x

1) Adjusted for currency and portfolio effects. 2) Excluding further acquisitions.

Looking Through FX Impacts

Sales Growth (Reported vs. Currency-adjusted)



Comments

- Continued sales growth over the last 4 years
- Since 2013 sales growth negatively impacted by currency effects in the amount of 3-5% per year
- Negative impact of currency effects largely related to CIS/Eastern Europe
- E.g. Russia: 18% reported sales decrease in 2015 translates into 7% sales increase by applying the FX rate as of 2014
- GBP depreciation expected to impact operational result in low single-digit EUR million range in FY2016

STADA: Continuous Focus on Cost Structure to Underpin Growth

Cost Structure Optimizations	Sourcing	<ul style="list-style-type: none"> • Presence in India/China established in 2013/2014 • Streamlining of group-wide API sourcing 	COGS
	Operations	<ul style="list-style-type: none"> • Reduced number of manufacturing locations • Optimization of production in-housing/outsourcing mix • Central demand planning on product-level to optimize stock level 	COGS/ SG&A
	Near Shoring	<ul style="list-style-type: none"> • Transfer of low-tech functions (R&D maintenance, quality control, IT) to low-cost countries (Romania, Serbia) 	COGS/ R&D
	Outsourcing Non-core	<ul style="list-style-type: none"> • Concentration on core activities and outsourcing of non-core activities • E.g. outsourcing of logistics services in Germany to DHL 	SG&A
Op. Synergies	Cross-Selling	<ul style="list-style-type: none"> • Cross-selling through shared sales force • One legal entity approach for selling Generics and Branded Products • Transformation of Generics into Branded Products 	Net Sales/ SG&A
	Shared Functions	<ul style="list-style-type: none"> • Shared supplier base for sourcing of raw materials/finished goods • Shared production facilities and R&D development/maintenance activities • Shared service functions and back-office activities 	COGS/R&D/ SG&A

We Continue to Maintain Strong Profit Margins Through a Continued Focus on Cost Structure Improvements Along the Entire P&L

Appendix

Preliminary Agenda for the AGM on 26-Aug-2016

- 1 Submission of Adopted Financial Statements and Group Financial Statements for 2015
- 2 Appropriation of Balance Sheet Profits
- 3 Approval of the Executive Board Members' Activities for 2015
- 4 Approval of the Supervisory Board Members' Activities for 2015
- 5 External Auditor Election for the Financial Statements and Group Financial Statements of 2016
- 6 Approval of the Remuneration System for the Executive Board Members¹
- 7 Elimination of Restrictions on the Transferability of Registered Shares in STADA Arzneimittel AG
- 8 New Elections to the Supervisory Board

1) Information on the external independent assessment of the remuneration system will be published jointly with the AGM invitation by 20 July 2016.

Supervisory Board Renewal

Existing Supervisory Board Members



Dr. Martin Abend (53)

- Member of the Supervisory Board since 2003
- 1st Vice President of the German Federal Bar
- Partner of the law firm Abend & Hausö Rechtsanwälte



Carl Ferdinand Oetker (43)

- Member of the Supervisory Board since 2009
- Previously Chief Representative of Bankhaus Lampe
- Managing Director F.O. Holding GmbH



Rolf Hoffmann (57)

- Previously Member of the Extended Executive Board of Amgen
- 30 years in the pharmaceutical industry



Dr. Birgit Kudlek (49)

- Previously COO at AENOVA
- Broad experience in the Generics industry (Sandoz, Ratiopharm)



Tina Müller (47)

- Chief Marketing Officer at Opel
- One of the best-known personalities in marketing and sales



Dr. Gunnar Riemann (58)

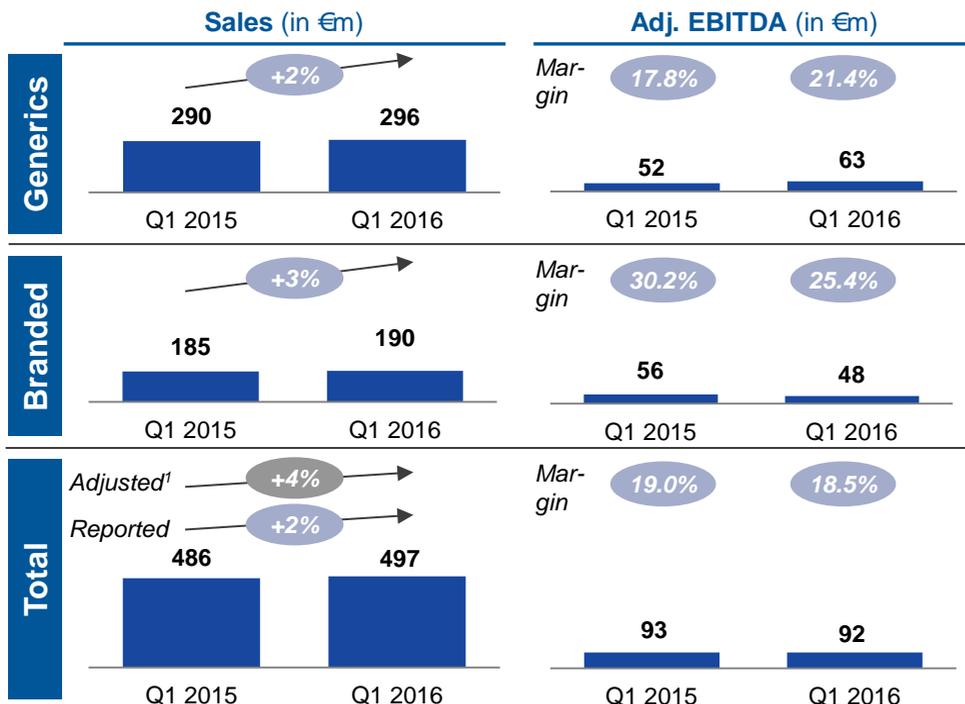
- Previously Various Executive Board Positions at Bayer
- 30 years of international experience in the Life Sciences industry

Supervisory Board Candidates

Nomination Process

- Comprehensive and structured selection process for the renewal of four out of six Supervisory Board members
- Process led by STADA's special nomination committee and supported by independent human resources consulting company

Q1-2016 Performance: Sales Increase in Generics and Branded Products



Comments

- Both segments, Generics and Branded Products, contributed to Group's y-o-y sales growth of c. 2% in Q1-16
- Positive development in Asia/Pacific & MENA in Generics and Branded Products
- Currency effects negatively impacted Branded Products performance in Q1-16
- Adj. EBITDA performance in Q1-16 driven by Generics segment
- Profitability of the Branded Products segment expected to increase to FY2015 level in the course of 2016

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

Key Historical Financials

€m	2012	2013	2014	2015	Q1-15	Q1-16
Key P&L Items						
Group Sales	1,838	2,004	2,062	2,115	486	497
% Growth	7.1 %	9.1 %	2.9 %	2.6 %	(4.2)%	2.2 %
t/o Generics	1,213	1,228	1,218	1,218	290	296
% Growth	2.1 %	1.2 %	(0.8)%	(0.0)%	(3.2)%	2.2 %
t/o Branded Products	596	704	801	854	185	190
% Growth	26.3 %	18.1 %	13.6 %	6.6 %	(5.9)%	2.5 %
Adj. EBITDA	367	414	432	389	93	92
% Margin	20.0 %	20.7 %	21.0 %	18.4 %	19.0 %	18.5 %
t/o Generics	217	213	229	233	52	63
% Margin	17.9 %	17.4 %	18.8 %	19.1 %	17.8 %	21.4 %
t/o Branded Products	189	225	240	220	56	48
% Margin	31.7 %	32.0 %	30.0 %	25.8 %	30.2 %	25.4 %
Adj. EPS	2.47	2.65	3.04	2.69	0.62	0.64
% Growth	1.2 %	7.3 %	14.7 %	(11.5)%	(27.9)%	3.2 %
Key Cash Flow Items						
Cash Flow from Operating Activities	213	204	224	312		
Adj. Free Cash Flow	150	133	157	212		

We look forward to seeing you on STADA's AGM on August 26 and the Capital Markets Day on October 5, both in Frankfurt

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