

**The spoken word shall prevail**

Dear Mr. Chairman,  
Dear Ladies and Gentlemen,  
Dear Shareholders,

I am delighted to welcome you here today, on behalf of the Executive Board, to the Annual General Meeting of STADA Arzneimittel AG.

In my comments on the past financial year, I have limited myself to significant events, as further, more comprehensive information can be found in the documents published on our website, including our Annual Report 2017, which is also available for review today.

Ladies and Gentlemen, the STADA Group performed well in financial year 2017. We were able to significantly increase Group sales driven by both the Generics and Branded Products segment. Earnings figures developed well at segment level, but were impacted by special items at Group level.

In detail, business development in 2017 was as follows: Reported Group sales increased by 8 percent to €2.313 billion. Adjusted for portfolio and currency effects, Group sales rose by 6 percent to €2.255 billion. Reported EBITDA

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showed an increase of 1 percent to €363.8 million. Adjusted for special items, EBITDA increased by 9 percent to €433.9 million. The financial result was €-44.5 million compared with €-50.7 million in the previous year. Income tax expenses totaled €53 million compared to €31.9 million one year earlier. Reported net income decreased by 1 percent to €85.3 million. Net income adjusted for special items increased by 10 percent to €195.6 million.

Reported sales of the Generics segment increased by 6 percent to €1.361 billion. Adjusted for portfolio and currency effects, sales rose by 4 percent to €1.324 billion. Generics accounted for 58.8 percent of Group sales. Adjusted EBITDA of the Generics segment showed an increase of 14 percent to €302.8 million. We were able to improve the adjusted EBITDA margin of the Generics segment from previously 20.7 percent to 22.2 percent.

Reported sales of the Branded Products segment increased by 11 percent to €952.2 million. Adjusted for portfolio and currency effects, sales rose by 9 percent to €930.9 million. Branded Products thus accounted for 41.2 percent of Group sales. Adjusted EBITDA of the Branded Products segment increased by 3 percent to €207.4 million. The adjusted

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EBITDA margin of the Branded Products segment was 21.8 percent compared to 23.4 percent in the previous year.

As you can see, Ladies and Gentlemen, STADA performed well the past financial year. We owe this above all to the outstanding commitment of our employees, to whom I would like to express my sincere thanks on behalf of the Executive Board.

In addition to the Company's takeover by Bain Capital and Cinven, a significant event in the past financial year was certainly the conclusion of the Domination and Profit and Loss Transfer Agreement with Nidda Healthcare GmbH on December 19, 2017, which you, our shareholders, voted by a large majority during our Extraordinary General Meeting on February 2, 2018, and which became effective on entry into the commercial register of the Company on March 20, 2018. This will allow us to work more closely and effectively with our majority shareholder owners in the future.

Overall, we laid important foundations in 2017 for a sustainable, successful future for STADA, and we are on track to meet our goals for 2018.

Let me briefly comment on the dividend proposal.

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Since the successful takeover by Bain Capital and Cinven in August 2017, we have new majority shareholders. Together, we want to expand STADA's position in the global pharmaceutical market in the coming years. We thus consider it essential to significantly increase our investments in new technologies and markets, and to strengthen the company's equity. In view of the financial resources required for this purpose, the Executive Board and the Supervisory Board propose and request approval of a dividend of €0.11 per STADA share.

Dear Ladies and Gentlemen, as you know, there were fundamental changes to the composition of the Supervisory Board and Executive Board of STADA Arzneimittel AG in September 2017 as a consequence of the takeover of STADA. Both boards, which are mainly composed of new members, agreed right from the start to continue to pursue intensively and to properly conclude the ongoing internal investigations on the potential violation of duties by previous board members or STADA employees. The guiding principle was to obtain the greatest possible clarification and transparency in the process and that nothing should be swept under the rug. Any semblance of a cover-up or delay should be rejected from the outset. From the beginning, both boards

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have always strictly aspired, as they continue to do, to acknowledge and to implement compliance at STADA. Therefore after an initial familiarization with the progress of the investigations in December 2017, both boards unanimously resolved the following:

First, for reasons of extreme caution, a criminal law assessment was ordered linked to the existing investigations. The investigation was widened even further in terms of its scope in order to achieve complete clarity and also to strengthen the internal compliance culture. Law firm Latham & Watkins and Munich-based criminal lawyer Professor Volk were retained to conduct this investigation.

In addition, STADA has decided to pursue maximum clarity and is treading a path that many German companies shy away from. The full report on the investigations, which was discussed in this room at the last Annual General Meeting in 2017, as well as additional facts, which were felt to be opportune to be externally reviewed both by the Supervisory Board and the Executive Board, have been handed over by the company to the competent public prosecutor's office in Frankfurt am Main. This is the public prosecutor's office specializing in matters of white collar crime. STADA was not obliged in any way to take this step, but instead proactively

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and on its own initiative contacted the law enforcement authorities on December 15, 2017 . In close consultation with the law enforcement authorities, the findings of the investigation by law firm Latham & Watkins were made available in a cooperative manner to the public prosecutor's office on April 13, 2018. A criminal complaint was not filed by STADA, neither generally nor specifically in respect of particular persons such as board members or employees. When handing over the results of the investigation, STADA emphasized that the documents that had been handed over did not show any behavior that would inevitably be criminally relevant. After an unbiased review by the law enforcement authorities, preliminary proceedings were initiated against two persons around two weeks ago. Apart from that, there was no initial suspicion of a criminal offense against any other person. This means that, with the exception of the stated preliminary proceedings against two persons, the specialist public prosecutor's office did not consider there to be sufficient real evidence of actionable criminal offenses against other persons, whether former or current members of the Executive or Supervisory Boards or employees.

I would also like to emphasize that no proceedings of any kind have been brought against STADA Arzneimittel AG itself. The public prosecutor's office also found no indications

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of fraud, disclosure of trade secrets, market manipulation or insider trading, embezzlement, theft, preferential treatment, corruption or personal gain at the expense of STADA.

In terms of the currently pending preliminary proceedings, STADA considers there to be definite indications that, depending on the pleadings of the persons concerned, a dismissal is possible, which nevertheless falls solely within the decision-making power of the public prosecutor's office. In the interests of protecting the privacy of the persons concerned and uninterrupted progress of the investigations by the public prosecutor's office, STADA will make no further statements on the ongoing proceedings.

Beyond the criminal judgment, possible breaches of duty under corporate law by the previous management will be reviewed independently and extensively in a further stage. The external Munich-based law firm EHW has been retained in this respect. This further review also builds on the existing investigation and will take into account any findings by the public prosecutor's office. The review goes beyond the criminal investigations, due to having a different legal standard of review, and is therefore currently still ongoing. The investigation is being carried out at full speed by law firm EHW and will soon be completed. Due to the review being

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still ongoing, the Executive Board and Supervisory Board take the view that there should be a request to postpone the decision on discharge.

Ladies and Gentlemen, a self-initiated and voluntary involvement of the public prosecutor's office specializing in white collar crime is not an easy decision. For any company. Hence this practice is not very widespread in Germany or in other countries - despite all the protestations of transparency. This has been confirmed to us by the law enforcement authorities themselves. The fact that the newly appointed Supervisory Board and the new Executive Board have nevertheless both taken this path with all its consequences indicates the desire of both bodies to actually do everything possible to clarify and bring closure to the past actions in the best way possible.

Ladies and Gentlemen, before I now finally conclude – I would like to address a few personal words to you. As you know, there will be a change in management on the first of September. Peter Goldschmidt will join STADA as the new CEO.

I have great confidence that with his many years of

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expertise, he will be able to further advance STADA's new growth strategy. Furthermore, Miguel Pagan, as Chief Technical Operations Officer, will succeed the former Chief Production and Development Officer, Dr. Barthold Piening. With Miguel Pagan, STADA has gained a proven expert in production and operations, with many years of experience in managing international production networks of large pharmaceutical companies, which will greatly reinforce the management team.

As far as I am concerned, I will always remain committed to STADA in the future.

With that, I conclude my speech today and thank you for your attention.