



**Report on the
First Six Months of 2003**

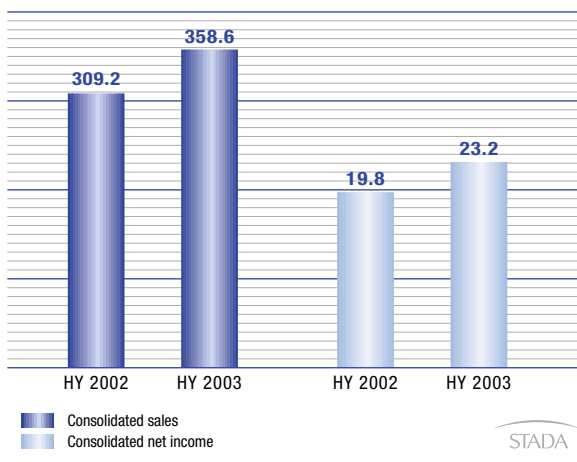


The Health Company Designed for growth

On the way to the 8th record year in a row

In 2003, STADA will achieve its eighth record year in a row. In the view of the Executive Board, the pleasing results of the first six months of the current fiscal year 2003 are an impressive confirmation of this forecast. In the first half of 2003, with sales of € 358.6 million and consolidated net income of € 23.2 million, STADA has achieved peak results and has again lived up to the corporate claim “Designed for growth”.

Consolidated sales and consolidated net income for the first half in € million



The strategic positioning: “STADA – The Health Company”

The current successes as well as the anticipated growth opportunities of the company are based on the unchanged strategic positioning under the broad outline “STADA – The Health Company”. In the health market –

which is considered one of the long-lasting global growth markets – STADA concentrates on multisource products, i.e., drugs, medical or health products that are accessible without performing its own cost-intensive and risky basic research into new active ingredients. Instead, STADA’s own product development focuses on comparable or optimized dosage forms for known active ingredients. The multisource products of the extensive Group portfolio are positioned in the market in three core segments: generics, branded products and special pharmaceuticals.

STADA expects particularly dynamic growth worldwide in the market for generics, the largest of STADA’s core segments. This growth will be supported by the need for cost-effective therapies as well as the continuous stream of drugs that are no longer covered by patents. In the four most important countries of the EU alone (Germany, France, United Kingdom and Italy), active ingredients with a current sales volume of € 7.2 billion will become patent-free from 2003 through 2007 and will thus be available as a market potential for generic products. But also the growth of generic products with active ingredients that have been patent-free for some time is as a rule far from being over in the individual national markets. The cost pressure of the national health systems continues to support the market penetration of inexpensive drugs and is thus a constant growth stimulus for generic products.

Local marketing structures are of critical importance for the market success of generics suppliers because the marketing of generic products worldwide and in the EU in particular is subject to different local conditions due to the different social insurance systems and the resulting market structures. Only those companies that

STADA sales companies (as of June 30, 2003) ¹⁾²⁾

<p>STADA Research & Development GmbH, Bad Vilbel</p> <p>STADA Arzneimittel AG, Bad Vilbel holding company</p> <p>Service companies and associated companies</p>	Europe	Belgium	Eurogenerics S.A., Brussels	
		Denmark	PharmaCoDane ApS, Copenhagen	
		Germany	STADApHarm GmbH, Bad Vilbel ALIUD PHARMA GmbH & Co. KG, Laichingen STADA GmbH, Bad Vilbel STADA Medical GmbH, Bad Vilbel cell pharm GmbH, Hanover STADA Pharma International GmbH, Bad Vilbel	
		France	EG Labo Laboratoires EuroGenerics S.A., Paris	
		United Kingdom	Schein Pharm. UK Ltd., Newbury ³⁾ (since March 10, 2003)	
		Ireland	Clonmel Healthcare Ltd., Clonmel	
		Italy	EG S.p.A., Milan Crinos S.p.A., Milan 60% New Pharma Ajani S.p.A., Milan (since January 8, 2003)	
		The Netherlands	Centrafarm B.V., Etten-Leur Healthypharm B.V., Etten-Leur Quatropharma B.V., Etten-Leur	
		Austria	STADA Arzneimittel Ges.m.b.H., Vienna Bioline Naturmedizin Ges.m.b.H., Vienna	
		Spain	Bayvit S.A., Barcelona Ciclum Farma S.A., Madrid	
		Sweden	STADApHarm AB, Malmö ⁴⁾	
		Switzerland	50% Helvepharm AG, Frauenfeld	
		Czech Republic	ALIUD PHARMA CZ s.r.o., Prague	
		The Americas	USA	STADA Pharmaceuticals Inc., Cranbury, New Jersey
			Brazil	51% AVA STADA Pharma Latin America Ltda., Manaus ⁴⁾
		Asia	China	51% Health Vision Enterprise Ltd., Hong Kong STADA Pharmaceuticals (Asia) Ltd., Hong Kong
			The Philippines	60% Croma Medic Inc., Manila
			Thailand	60% STADA Asiatic Co. Ltd., Bangkok
			Vietnam	50% STADA Vietnam J.V. Ltd., Ho Chi Minh City

1) Unless indicated otherwise, the companies are wholly owned by the STADA Group.

2) In addition, STADA conducts export business in 23 countries.

3) Generics sales line Genus Pharmaceuticals

4) Presently not operatively active

operate in proximity to the market with local sales companies will be able to successfully convert the anticipated growth of the local generics markets into their own growth.

The marketing network – the foundation for success

Owing to the dynamic expansion of international sales in recent years, STADA is advantageously positioned and should thus continuously profit from these growth potentials of the individual national generics markets. Through the acquisition made in the United Kingdom in the first quarter of 2003 (Schein Pharmaceuticals with the generics sales line Genus with an acquired sales volume of approximately € 11 million), STADA has closed one of the last remaining major sales gaps for generics in the EU. STADA's marketing network for generics in the EU now covers the national markets of Germany, France, United Kingdom, Italy, Ireland, Spain, Denmark, Austria, Netherlands and Belgium. This puts STADA in an outstanding position in the EU, even in a cross-comparison with global competitors. This EU-wide marketing network of STADA is being expanded by the Group's own subsidiary in the U.S., which has been active since early 2002, additional European sales companies (Switzerland, Czech Republic), subsidiaries in important Asian markets (China including Hong Kong, Thailand, Philippines, Vietnam) and worldwide export activities in 23 additional countries, in part supported by the Group's own local sales offices.

Strong sales growth in the first half of 2003

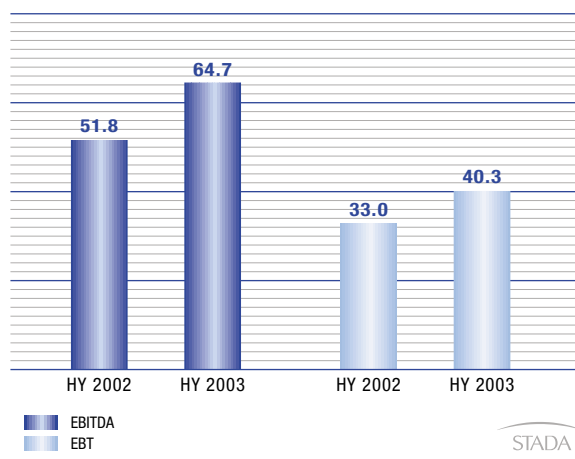
In the current fiscal year, STADA has again taken advantage of the favorable positioning it has attained to achieve outstanding sales growth, especially in the core segments. In the first half of 2003, Group sales increased by +16% to € 358.6 million (1st half of 2002: € 309.2 million). In the three core segments generics, branded products and special pharmaceuticals, sales after six months of the current fiscal year totaled € 340.2 million (1st half of 2002: € 266.5 million), which represent

a growth rate of +28% compared to the prior year period. The rapid growth of the core businesses is the desired outcome of the restructuring of the non-core commercial business in the Netherlands in the last fiscal year, which in the current fiscal year has led to a desired -61% decline of these marginal activities as of the end of June in the current fiscal year. Thus the core segments together now contribute 95% to Group sales (1st half of 2002: 86%).

The growth of the core segments is based both on strong organic growth and on acquisitions. Excluding the sales from acquisitions of the current fiscal year, the organic growth of the core segments totals +26%.

Earnings at peak level

EBITDA and EBT for the first half in € million



Parallel to the sales expansion, the Group's earnings situation has developed pleasingly in the first half of 2003. In the first half of 2003, STADA again achieved increases – sometimes marked increases – in all significant earnings figures compared to the same period in the prior year. In the first half of 2003, Group operating income reached € 47.4 million and is accordingly +24% higher than the comparable value from 2002. In the first six months of 2003, Group earnings before interest, taxes, depreciation and amortization (EBITDA) increased

Key figures for the Group, 1/1 – 6/30	2003	2002	±
Sales in € million	358.6	309.2	+16.0 %
Sales in core segments in € million	340.2	266.5	+27.7 %
Operating income in € million	47.4	38.1	+24.4 %
EBITDA in € million	64.7	51.8	+24.9 %
EBIT in € million	47.4	38.2	+24.1 %
EBT in € million	40.3	33.0	+22.1 %
Net income in € million	23.2	19.8	+17.2 %
EPS in €	1.16	1.06	+9.4 %
EPS (diluted) in € (according to IAS 33.24)	1.07	0.98	+9.2 %
Capital expenditure in € million	32.7	100.5	-67.5 %
Depreciation/amortization in € million	17.3	13.6	+27.2 %
Average number of employees (1/1-6/30)	2,460	2,108	+16.7 %
Closing price (XETRA®) STADA common shares on June 30 in €	55.40	40.50	+36.8 %
Market capitalization in € million as of June 30	1,108.7	764.1	+45.1 %

by +25 % to € 64.7 million, earnings before interest and taxes (EBIT) by +24 % to € 47.4 million and earnings before taxes (EBT) by +22 % to € 40.3 million. Accordingly, a total of € 23.2 million is reported as consolidated net income for the first six months at a tax rate of 42.2 % (1st half of 2002: 40.5 %). With an approx. 6 % increase in the average number of shares compared to the first half of 2002, the earnings per share (EPS) are € 1.16 (1st half of 2002: € 1.06) and diluted earnings per share (EPS diluted) calculated according to IAS 33.24 are € 1.07 (1st half of 2002: € 0.98).

Strong growth in core segments

In the first half of 2003, the core segment generics grew by +26 % based on sales of € 261.7 million (prior year: € 208.4 million); the sales share of this largest core segment of the Group is accordingly 73 %. With sales in the first half of 2003 of € 23.1 million (up +47 % compared to the 1st half of 2002), the stomach medication Omeprazol continues to be the highest selling drug of the generics segment and of the entire Group as well. An important event in the core segment generics in the first half of 2003 was the introduction of products with the newly patent-free active ingredient Simvastatin in Germany and several other European

markets. Simvastatin is the first patent-free lipid lowering agent from the class of active ingredients known as statins; before the patent expiration, the sales value in Germany alone amounted to approximately € 240 million. The pleasing results attained so far after the introduction in the German market in May 2003 confirm the high significance of sales of this drug to the Group. By the end of June 2003, a total of € 6.1 million in sales had been generated with Simvastatin in Germany and € 10.2 million Group-wide. This makes it possible to expect that Simvastatin will generate the second highest sales in the Group by 2005 at the latest with a sales volume at that time of € 25 million to € 30 million.

The operating earnings of the generics segment reached € 35.7 million in the first half of 2003 and are thus +13.3 % higher than in the first half of 2002. Included in the result are marketing costs in the amount of approximately € 3.9 million up to June 2003 for the product introduction of Simvastatin STADA in Germany. The operating margin (segment earnings as a percentage of segment sales) of the generics in the Group is thus 13.6 % for the first half of 2003 (1st half of 2002: 15.1 %).

In the core segment branded products, sales in the first six months of 2003 were +34 % higher than sales in

the same period of the prior year. At € 67.5 million, branded products contributed 19% to Group sales in the first half of 2003 (1st half of 2002: 16%). With operating segment earnings of € 7.6 million in the same period (operating segment earnings of € 8.4 million in the first half of 2002), the operating margin for the Group's branded products business is 11.3% in the first half of 2003 (1st half of 2002: 16.8%). This includes a one-time writedown of intangible assets totaling € 1.0 million. Special pharmaceuticals also showed significant growth in the first half of 2003. At the end of the first half, the sales generated by special pharmaceuticals in the current fiscal year amounted to € 10.9 million (up +41% compared to the first half of 2002 at € 7.8 million). It must be taken into account that the Group's vaccines (total sales for 2002: € 2.7 million) have no longer been classified as special pharmaceuticals since the start of 2003, but instead have been assigned to branded products and generics in consideration of the marketing orientation of the individual products of this part of the product line. The operating margin of this segment was 25.1% in the first half of 2003 (prior year: 11.4%).

Internationally broad basis for growth

The regional analysis shows a pleasing breadth of growth of the Group. In the first half of 2003, numerous subsidiaries within Germany and abroad also contributed to the growth of STADA. The only significant national market with a negative sales trend in line with expectations is the Netherlands (decline in sales in the 1st half of 2003 compared to the 1st half of 2002: -58%) due to the already mentioned restructuring of the Dutch commercial business. This is in contrast to the strong growth of STADA and its subsidiaries in numerous other national markets.

In the largest national market of the EU, Germany, which also continues to be STADA's largest national market with a 53% share of Group sales, it was possible to increase sales in the first half of 2003 to € 190.1 million, i.e., by +14% compared to the same period of the prior year. At the same time, sales in the generics segment grew in

Germany by even +18% to € 138.6 million. STADA thus continues to be the third largest generics provider in the German market.

Italy, currently STADA's second largest national market, was able to increase its sales in the first half of 2003 by +152% to € 29.3 million compared to the prior year period. Strong organic growth of the generics line in that country of +34% (1st half of 2003 vs. 1st half of 2002) and the acquisitions in 2002 and in the first quarter of 2003 (acquisition of a 60% stake in NPA, a sales specialist for pharmaceutical products, with annual sales of approximately € 9.5 million) contributed to this result.

In the emerging French generics market, where growth in generics is particularly strong at overall still low volumes, STADA continues to invest heavily in the further expansion of its market position and thus can generate even higher growth rates than the market in that country. With market growth of approximately +55%, STADA generated purely organic sales growth of +84% in the first six months of 2003 in France with first half sales of € 16.0 million. The Group's market share in France has thus been expanded to approximately 4.7% (June 2003). In France, as in other strong growth markets such as Spain, STADA will continue to invest heavily in sales, and – given the good financial position in the Group as a whole – deliberately continue to accept local losses where necessary in order to be able to achieve continued dynamic growth and significant market shares in such key markets.

In the U.S. as well, the expansion of the Group's own business activities is proceeding continuously and successfully. In the first half of 2003, STADA generated total sales of € 22.6 million in the U.S., which is equivalent to +15% growth compared to the first half of 2002. Considering the sales performance in local currency, the progress made is even more apparent. In US-dollar terms, Group sales in the U.S. in the first six months of 2003 increased by 43% to US\$ 25.3 million compared to the same prior year period.

A comparison of sales of the first half of 2003 with the first half of 2002 shows that outstanding growth rates were also achieved in the United Kingdom (up +97% including the acquisition of the generics sales line Genus from Schein Pharmaceuticals in the first quarter of 2003), in Spain (up +158% including the acquisitions made there in 2002), in Austria (up +37%) and in Denmark (up +45%). The Group's Belgian business, which grew only slightly in 2002 due to health policy influences, again showed definite double-digit percentage growth in the first half of 2003, specifically by +17%. In Belgium as in Ireland, STADA or the respective STADA sales company continues to be the market leader in the respective national generics segment.

Leading position in product development confirmed

An important success factor for STADA continues to be its leadership position in product development. This applies in particular with a view towards generics in the EU. The product itself, a generic drug dosage form, can be harmonized throughout Europe irrespective of the local market strategies and local product names, which does in fact require specific approval expertise, but is advantageous in particular from a cost perspective. Only in this way can production-related economy-of-scale effects of Europe-wide marketing be optimally utilized.

For years, STADA has held a demonstrated position of leadership in the successful implementation of the EU approval process required for this purpose, the mutual recognition procedure (MR procedure). Since the inception of this EU-wide approval method in 1995 until the end of the first half of 2003, STADA, with a total of 773 MR approvals, has clearly obtained more such approvals for generics than an other global or national competitor.

STADA's development strength is also evident in the large number of annual product introductions. In the first half of 2003, 183 new products have already been introduced Group-wide (1st half of 2002: 107

new products introduced). It was noteworthy that it was again possible to introduce numerous generics as soon as their patents expired (in Germany, for instance, all the important drugs that have become available for generic competition so far this year include Simvastatin, Fluconazol, Gabapentin and Lovastatin).

In keeping with the strategic premise of a concentration on patent-free active ingredients, STADA's development activities are also becoming increasingly wide-ranging. Several joint development activities with specialized development partners using advanced pharmaceutical technology such as a transdermal patch either have been already started or are in the evaluation stage. The goals of these activities may exceed a pure equivalence with the products of the initial suppliers.

Using venture capital financing and external developers, STADA has been developing biogenerics based on the three biopharmaceutical active ingredients Erythropoetin, Filgrastim and Interferon β since early 2001. The cumulative market potential of these three active ingredients in the EU is continuing to grow in 2003 and as of March 31, 2003 it has reached € 2.3 billion. The approval experts involved have discussed the structure and scope of the necessary clinical studies with national and European authorities. STADA thus expects that it will be possible to start these studies still this year with the goal of an initial market introduction by the end of 2006. STADA continues to expect to generate at least € 100 million in sales with these biogenerics after the third full marketing year. For STADA, biogenerics thus offer a supplemental growth potential to complement the expected structural growth impulses in the core segments.

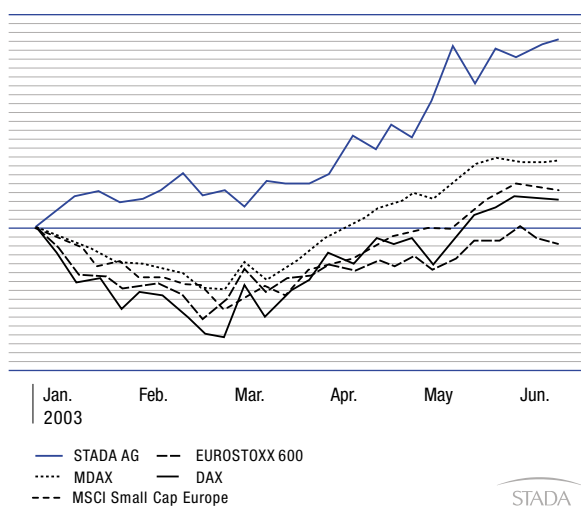
Acceleration of growth through acquisitions

STADA intends to further accelerate Group expansion through the acquisition of appropriate companies and/or products in the core segments in particular – concurrent with significant organic growth. In doing so, however, STADA is under no time pressure. In the future as well,

only acquisitions that are suitable based on market and income considerations will be pursued. With net debt of € 277.7 million as of June 30, 2003, the equity ratio as of this reporting date is 42.0% and thus continues to allow sufficient latitude for the financing of additional acquisitions. To stabilize the financial results, approximately € 77.5 million in previously short-term debt, which was raised in recent years to finance acquisitions, was refinanced during the second quarter of 2003 in the form of longer term credit lines (time to maturity in part until 2008).

STADA share at all-time high

**Performance of STADA shares vs. selected indices;
100 = January 1, 2003**



The capital market rewards the results achieved by STADA and the growth prospects of the Group. In the second quarter of 2003, the price of the STADA share reached a new record high of € 57.50 (XETRA®, May 30, 2003). On June 30, 2003, the price was at € 55.40; the share price has thus climbed +39% since the start of the year and +37% in the last twelve months. Accordingly, the STADA share has again significantly outperformed the DAX and the indices in which the STADA share is listed, namely the MDAX, the EUROSTOXX 600 and the

MSCI Small Cap Europe (the STADA share was included in this index for the first time as of May 30, 2003).

At the present time, STADA thus has no reason to make greater use of the authorization to purchase the company's own stock, which has existed since mid-2002 and was extended until December 23, 2004, as resolved by the company's Annual Shareholders' Meeting on June 24, 2003. Therefore, STADA did not buy or sell any of the company's own stock in the second quarter of 2003 except for small sales to employees; as of June 30, 2003, STADA's own stock holdings amounted to 19,939 shares at a reporting date value of € 1,104,620.60.

Pursuant to another resolution of the Annual Shareholders' Meeting on June 24, 2003, the dividend for fiscal year 2002 was set at € 0.65 (prior year € 0.59) per share of common stock as proposed by the Executive Board and Supervisory Board. Thus, the company distributed to its shareholders a dividend increased by +18% and totaling € 13.0 million. This was the highest total dividend pay-out in the company's history.

STADA's company value has increased further in the current fiscal year. During the second quarter of 2003, STADA's market capitalization exceeded € 1 billion for the first time. On June 30, 2003, STADA's market capitalization was € 1.11 billion (US\$ 1.27 billion) and accordingly +39% higher than at the beginning of the year and +45% higher than twelve months previously.

STADA views the significant increase in its share price and market capitalization as confirmation of its efforts to make the share increasingly well known among international institutional investors through intensive investor relations work. In doing so, it also opened up new shareholder groups. In the meantime, two funds of the Fidelity Group, the world's largest investment house and known for value-oriented investment behavior, have each held more than 5% of STADA common stock since January 2003 and since May 2003, respectively.

Business risks unchanged

The company's risk situation has not significantly changed since the beginning of 2003. The detailed presentation of risks in the annual report for 2002 published in April 2003 is thus still applicable. In addition to intense competition and the business risk of patent disputes, which is inherent to every company specializing in generics, a further significant risk in the view of the Executive Board continues to be the risk of government health policy intervention in the existing market structure in the various countries in which STADA is active. Even if generics in particular are usually not the focus of such interventions or may even benefit from them, regulations that are unfavorable for STADA or national STADA sales companies cannot be ruled out. Thus, for instance, it cannot presently be foreseen whether the current legislation to reform the health care system in Germany will be passed this year and if it is passed, what the details of that legislation will be. According to the status of discussions at the end of July 2003, STADA expects however, that the German health care reforms to become effective January 1, 2004 will on the whole be neutral for STADA.

Optimistic prospects for the future

With a view to the Group's overall risk situation, the Executive Board continues to hold the opinion that the company's foreseeable opportunities clearly exceed the anticipated risks.

The reasons for this optimistic assessment are STADA's obvious strategic and operating strengths, which include:

- a positioning in selected segments of the health care market with high prospects for structural growth,
- compared to the competition, a very well developed sales network of local sales companies (especially in the largest core segment generics), which already have a comprehensive and up-to-date product

portfolio of multi-source products available to them for marketing,

- a position of leadership in product development, which gives rise to the expectation that the Group's local sales companies will introduce new generics in their national markets close to the time when many patents will expire in the coming years,
- the opportunities that may result from current development projects for products with more advanced pharmaceutical technology,
- the prospects for biogenerics,
- a lean, cost-oriented business structure and
- committed and capable employees with many years of experience in the management of strong organic growth and growth by acquisitions.

These strengths form an excellent foundation for continuing STADA's successful growth course in the coming years.

The Executive Board therefore unreservedly stands by the growth forecast for sales and earnings in the current fiscal year 2003 that it made at the beginning of the year, even though health policy challenges for individual sales companies still cannot be ruled out in some national markets. The Executive Board is convinced that STADA will achieve the eighth record year in a row at double-digit percentage increases in sales and earnings in 2003. This expectation will also be met if the company should decide to invest more heavily in sales in the second half of 2003 in order to take better advantage of current opportunities in individual markets and impending patent expirations.

The Executive Board also assumes that STADA, owing to its sustained strategic positioning, will also continue to grow in the coming years. The Executive Board already predicts that the double-digit percentage growth in sales and earnings will continue – assuming no appreciable change in business risks – and that 2004 will be another record year.

STADA's corporate claim thus continues to be:

“STADA – Designed for growth”.



H. Retzlaff



W. Jeblonski



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Dr. Klaus-Peter Reich

Supervisory Board: Dr. Martin
Abend, Dr. med. Eckhard
Brüggemann (Chairman),
Karl Hertle¹⁾ (Vice Chairman),

Heike Ebert¹⁾, Uwe E. Flach,
Dr. K. F. Arnold Hertzsch,
Dieter Koch, Reinhard Kraff¹⁾,
Constantin Meyer

¹⁾ Employee representatives

Forward-Looking Statements: This interim report of STADA Arzneimittel AG contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) that express the convictions and expectations of the company management. Such statements are based on current expectations, estimates and forecasts made by the company management and include various known and unknown risks and uncertainties, which could lead to the result that the actual results, the financial situation, the development or the performance vary considerably from the estimates expressed or implied in these forward-looking statements. Forward-looking statements are characterized by the use of words such as “expect,” “intend,” “believe,” “estimate” and similar terms. STADA holds the opinion that the expectations reflected in the future-oriented statements are appropriate; however, it cannot guarantee that these expectations will be actually fulfilled. The risk factors include in particular: the influence of regulation of the pharmaceutical industry, the difficulty in making predictions concerning approvals by the approval authorities and other supervisory agencies, the

approval environment and changes in the healthcare policy and in the healthcare system of various countries, acceptance of and demand for new drugs and new therapies, the influence of competitive products and prices, the availability and costs of the active ingredients used in the production of pharmaceutical products, uncertainty concerning the market acceptance of innovative products that are newly introduced, presently being sold or developed, the effect of changes in the customer structure, the dependence on strategic alliances, currency fluctuations, exchange rates and interest rates, operating results as well as other factors that are explained in the annual reports and in other statements of the Company. STADA neither plans to update the future-oriented information nor does STADA assume an obligation to do so. However, STADA publishes material information on current business trends that in the view of the Executive Board could affect the share price as mandatory disclosures prescribed by German company law, and made this information available on its website (www.stada.de).

This report appears in German (original version) and English (non-binding translation) and is subject exclusively to German law.

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Group results

The interim financial statements of STADA Arzneimittel AG as of June 30, 2003 (as were the annual financial statements as of December 31, 2002) were prepared in accordance with the guidelines of the International Accounting Standards Board (IASB) – the International Accounting Standards (IAS, to be known in future as the International Financial Reporting Standards/IFRS).
The same accounting and valuation standards as in the annual financial statements for 2002 apply. The notes to the annual financial statements for 2002 therefore apply correspondingly.
This report on the first six months complies with the regulations for interim financial reporting in IAS 34.

Consolidated Income Statement in € 000s	HY 2003	HY 2002	Q2 2003	Q2 2002
1. Sales	358,563	309,223	177,369	156,505
2. Cost of sales	169,571	156,245	82,304	79,629
3. Gross margin	188,992	152,978	95,065	76,876
4. Other operating income	4,538	5,406	2,390	3,402
5. Selling expenses	99,439	78,619	52,482	40,879
6. General and administrative expenses	23,495	23,283	11,936	12,970
7. Research and development expenses	10,021	7,243	5,129	1,918
8. Other operating expenses	13,194	11,185	5,725	7,538
9. Operating profit	47,381	38,054	22,183	16,973
10. Investment income	50	136	0	46
11. Interest income, net	-7,098	-5,192	-3,593	-2,922
12. Financial result	-7,048	-5,056	-3,593	-2,876
13. Earnings before taxes	40,333	32,998	18,590	14,097
14. Taxes on income	17,006	13,371	7,756	5,563
15. Net income for the period	23,327	19,627	10,834	8,534
16. Minority interests	-151	200	-95	128
17. Consolidated profit	23,176	19,827	10,739	8,662
18. Earnings per share in € ¹⁾	1.16	1.06	0.54	0.46
19. Earnings per share in € (diluted) ^{1) 2)}	1.07	0.98	0.50	0.43

1) for common shares plus preferred shares

2) according to IAS 33.24.

Consolidated Cash Flow Statement in € 000s (excerpt)	HY 2003	HY 2002
Cash flow (gross)	40,649	33,795
Cash used for/provided by operating activities	-4,946	6,284
Cash used for investing activities	-32,664	-100,493
Cash provided by financing activities	24,340	90,092
Net cash flow for the period	-13,270	-4,117

Segment reporting in € 000s	HY 2003	HY 2002	
1. Generics	Sales	261,716	208,407
	Operating profit	35,662	31,473
	Contribution to net income for the period	20,925	20,450
	Segment assets at June, 30	185,027	146,082
	Liabilities at June, 30	79,045	59,923
2. Branded products	Sales	67,534	50,372
	Operating profit	7,621	8,444
	Contribution to net income for the period	3,906	3,875
	Segment assets at June, 30	23,652	15,497
	Liabilities at June, 30	20,003	12,815
3. Special pharmaceuticals	Sales	10,900	7,755
	Operating profit	2,741	881
	Contribution to net income for the period	1,610	730
	Segment assets at June, 30	14,553	9,910
	Liabilities at June, 30	2,713	3,460
Core segments (1.-3.)	Sales	340,150	266,534
4. Commercial business	Sales	15,915	40,358
	Operating profit	840	-4,106
	Contribution to net income for the period	221	-3,794
	Segment assets at June, 30	1,205	1,529
	Liabilities at June, 30	10,371	15,137
5. Group holding company/other	Sales	2,498	2,331
	Operating profit	517	1,362
	Contribution to net income for the period	-3,335	-1,634
	Segment assets at June, 30	99,585	108,209
	Liabilities at June, 30	319,219	212,278

Consolidated Balance Sheet in € 000s	June 30, 2003	Dec. 31, 2002
Assets		
A. Non-current assets	438,880	432,573
I. Intangible assets	365,165	349,082
II. Property, plant and equipment	60,577	58,166
III. Financial assets	13,138	25,325
B. Current assets	345,674	298,854
I. Inventories	163,488	135,381
II. Trade accounts receivable	132,821	105,985
III. Other assets and prepaid expenses/deferred charges	29,345	24,184
IV. Securities	599	613
V. Cash and cash equivalents	19,421	32,691
C. Deferred tax assets	9,321	9,587
	793,875	741,014
Equity and liabilities		
A. Shareholders' equity	333,343	324,127
I. Share capital	52,033	52,033
II. Reserves and retained earnings	281,310	272,094
B. Minority interests	718	62
C. Provisions	16,841	15,808
D. Liabilities	431,351	390,848
I. Financial liabilities	297,101	259,766
II. Trade accounts payables	80,758	74,672
III. Other liabilities and deferred income	53,492	56,410
E. Deferred tax liabilities	11,622	10,169
	793,875	741,014

Statement of Changes in Shareholders' Equity in € 000s	1/1 – 6/30/03	1/1 – 6/30/02
Shareholders' equity	324,127	280,253
Net income for the period	23,327	19,627
Capital increase	–	2,206
Dividend distribution	-12,995	-11,047
Other changes	-1,116	137
Shareholders' equity	333,343	291,176

Consolidated Sales by Regions ¹⁾ in € 000s	HY 2003	HY 2002	±
EU total	321,501	277,225	+16 %
- Belgium	21,692	18,511	+17 %
- Denmark	5,070	3,502	+45 %
- Germany	190,082	166,682	+14 %
- France	16,017	8,706	+84 %
- United Kingdom	9,489	4,826	+97 %
- Ireland	5,806	5,211	+11 %
- Italy	29,338	11,642	+152 %
- The Netherlands	20,260	47,754	-58 %
- Austria	3,522	2,579	+37 %
- Spain	20,059	7,772	+158 %
- Rest of EU	166	40	+315 %
Other Europe	6,249	4,589	+36 %
- Switzerland	1,701	1,013	+68 %
- Czech Republic	2,279	2,082	+9 %
- Rest of Europa	2,269	1,494	+52 %
The Americas	22,655	19,900	+14 %
- USA	22,627	19,609	+15 %
- Rest of Americas	28	291	-90 %
Asia	8,084	7,324	+10 %
- China	2,490	2,675	-7 %
- The Philippines	1,860	1,807	+3 %
- Thailand	1,317	1,485	-11 %
- Vietnam	1,374	573	+140 %
- Rest of Asia	1,043	784	+33 %
Rest of World	74	185	-60 %

1) Categorized according to the respective national market where the sales were generated.

**On the way to an
8th record year in a row**

**STADA –
Designed for growth**

