



STADA
Arzneimittel

The Health Company



Report on the
First Nine Months of 2005

The First Nine Months of 2005 at a Glance

- Pleasing operative growth: Sales +25%, operating profit +57%
- Net income rises despite heavy burden of special effects by +2%
- Current earnings prognosis 2005: Net income of approx. € 50 million
- Executive Board recommends dividend for 2005 of at least the same amount as in previous year

Key figures for the Group from Jan. 1 – Sept. 30 in € million	2005	2004	± %
Sales	739.2	592.3	+25%
Total sales in core segments	705.0	561.3	+26%
• Generics	533.7	442.6	+21%
• Branded Products	152.8	99.8	+53%
• Specialty Pharmaceuticals	18.5	18.9	-2%
Operating profit	88.8	56.7	+57%
EBITDA	105.9	80.0	+32%
EBIT	68.8	56.9	+21%
EBT	61.8	49.3	+25%
Net income ¹⁾	33.4	32.8	+2%
Cash flow (gross)	71.7	58.1	+23%
Shareholders' equity (Sept. 30)	664.8	626.6 ²⁾	+6%
Capital expenditure	177.2	63.4	+180%
Depreciation/amortization	37.1	23.1	+61%
Average number of employees (Jan. 1 – Sept. 30)	3,885	2,568	+51%
Key share figures Jan. 1 – Sept. 30	2005	2004	± %
Market capitalization in € million (as of Sept. 30)	1,593.9	955.7	+67%
Closing price (XETRA®) in € on Sept. 30	29.80	17.90	+67%
Average number of shares (Jan. 1 – Sept. 30) ³⁾	53,296,492	53,356,026 ⁴⁾	+0%
Basic earnings per share in € ⁵⁾	0.63	0.62 ⁴⁾	+2%
Diluted earnings per share in € ⁶⁾	0.58	0.61 ⁴⁾	-5%

1) Unless otherwise stated, "net income" in this report refers to income attributable to the shareholders' stake in STADA Arzneimittel AG, which under IFRS also represents the basis for calculating earnings per share and diluted earnings per share.

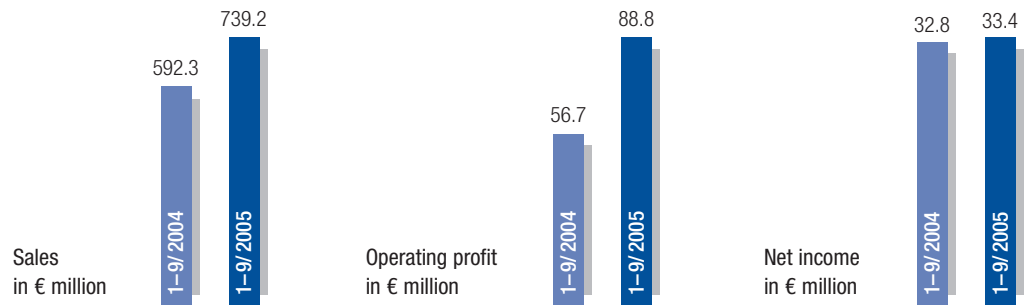
2) The previous year's figure was adjusted based on the allocation of minority interests to shareholders' equity.

3) Not including company's own shares.

4) Adjusted for the de facto 1:1 stock split on July 30, 2004.

5) In accordance with IAS 33.10.

6) In accordance with IAS 33.31.



Overview of Business Development to Date in 2005

As expected, STADA posted a strong operative development in the first three quarters of 2005.

Group sales rose by a pleasing 25%. STADA's international business made a significant contribution to this positive business development with sales growth of 35%, now accounting for 56.3% of total Group sales (1-9/2004: 51.8%).

Net income after the first nine months of 2005 rose in comparison to the same period in the previous year by 2% to € 33.4 million. This increase was achieved despite the heavy burden of one-time special effects which was particularly high in the third quarter of 2005 with a total burden of after tax earnings in the amount of approx. € 17.5 million.

A part of these one-time special effects in the third quarter of 2005 was compensated by the good operative development. As a result, the Executive Board has reduced the previous prognosis¹⁾ for net income in fiscal year 2005 by only € 10 million. Therefore, STADA now expects an increase in net income for the fiscal year 2005, including all one-time special effects, to approx. € 50 million (fiscal year 2004: € 48.5 million).

Operating profit, not affected by the special write-offs and value adjustments in connection with the LipoNova/Reniale® project, rose strongly in the first three quarters of 2005 by 57% and will continue to increase, from the Executive Board's current perspective, for the full year 2005, clearly.

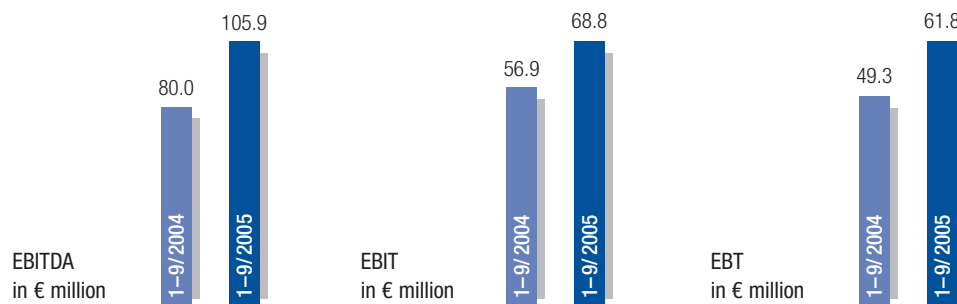
Due to the robust operative business, the Executive Board will recommend to the Supervisory Board to propose a resolution to the Annual General Meeting for the payment of a dividend of at least the same amount as in the previous year.

Strong Growth in Group Sales

Group sales in the reporting period showed an increase of 25% to € 739.2 million (1-9/2004: € 592.3 million). The share of acquisition related effects in this growth – in particular through the initial consolidation of companies acquired in Russia and Portugal – amounted to € 49.3 million or 8 percentage points.

In the core segment **Generics**, sales rose by 21% in the first nine months of 2005 to € 533.7 million (1-9/2004: € 442.6 million). The **Branded Products** segment achieved a sales increase of 53 % to € 152.8 million (1-9/2004: € 99.8 million). The **Specialty Pharmaceuticals** segment – despite an increase in units sold – continued to be negatively affected by the severe competitive pressure in the German hospital business and posted a slight reduction in sales of 2% to € 18.5 million (1-9/2004: € 18.9 million).

1) See the company's ad hoc release in accordance with § 15 WpHG of October 12, 2005.



STADA's international business activities rose disproportionately in the fiscal year to date as compared to Group sales. In the reporting period, sales outside of Germany had a share of 56.3% (1-9/2004: 51.8%).

Net Income Rose in the First Nine Months Despite the Heavy Burden of Special Effects

Net income rose in the reporting period by 2% as compared to the same period in the previous year to € 33.4 million (1-9/2004: € 32.8 million). It was possible to achieve this increase despite the heavy burden of special effects – particularly in the third quarter of 2005. Earnings per share¹⁾ for the first nine months of 2005 therefore amount to € 0.63 (1-9/2004: € 0.62²⁾). Diluted earnings per share³⁾ in the reporting period were € 0.58 (1-9/2004: € 0.61⁴⁾).

1) In accordance with IAS 33.10, the average number of shares held as of September 30, 2005 are not considered in the earnings per share (EPS) calculation. Calculation of earnings per share is thereby based on an average of 53,296,492 outstanding shares as of September 30, 2005 (corresponding number of outstanding shares as of July 30, 2004, adjusted for the de facto 1:1 stock split of July 30, 2004: 53,356,026).

2) Adjusted for the de facto 1:1 stock split on July 30, 2004.

3) In accordance with IAS 33.31.

4) Adjusted for the de facto 1:1 stock split on July 30, 2004.

Despite the burden of the special effects, earnings before taxes (EBT) rose in the reporting period by 25% to € 61.8 million (1-9/2004: € 49.3 million). Earnings before interest and taxes (EBIT) could be increased in the first nine months of the current fiscal year by 21% as compared to the previous year in the Group to € 68.8 million (1-9/2004: € 56.9 million).

Clear Rise in the Group's Operating Profit

STADA's robust operative growth is mirrored by the earnings development in the operating profit of the Group which remains unaffected by the special write-offs and value adjustments in connection with the LipoNova/Reniale® project. This rose strongly in the first 9 months, as compared to the previous year, by 57% to € 88.8 million (1-9/2004: € 56.7 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) also increased strongly in the first nine months of 2005 by 32% to € 105.9 million (1-9/2004: € 80.0 million).

The operating profits in the core segments developed as follows in the first nine months of 2005: **Generics** increased by 82% to € 68.7 million (1-9/2004: € 37.8 million), **Branded Products** were up by 178% to € 27.1 million (1-9/2004: € 9.7 million) and **Specialty Pharmaceuticals** fell by 40% to € 2.6 million (1-9/2004: € 4.4 million).

In the reporting period, the operating profit margins for the core segments were thereby as follows: **Generics** 12.9% (1-9/2004: 8.6%), **Branded Products** 17.7% (1-9/2004: 9.8%), **Specialty Pharmaceuticals** 14.3% (1-9/2004: 23.4%).

One-Time Special Effects in the Current Fiscal Year

In the current fiscal year, STADA has posted significant one-time special effects, which have clearly influenced earnings development.

In addition to the already announced one-time special effects from the first half of 2005 (net reduction of earnings before taxes of approx. € 6.8 million and after taxes of approx € 5.5 million), write-offs and value adjustments in connection with the LipoNova/Reniale® project were added in the third quarter 2005, which reduced net income by an additional € 20.0 million before taxes or € 16.2 million after taxes. These burdens are, in accordance with IFRS, summarized in the consolidated income statement and stated below the operating profit in the line "Closing of the LipoNova/Reniale® project".

Since 2004, STADA has held a 16% stake in LipoNova GmbH as well as the Europe-wide marketing rights for the autologous tumor vaccine Reniale®, the development of which the business activities of LipoNova are focused. On October 12, 2005, in the overall assessment of the course of the "oral hearing" at the EMEA, the European agency responsible for the approval, it was STADA's estimation that the EMEA – contrary to previous expectations – is likely to make an approval for Reniale® dependant on additional clinical studies. The start of marketing for Reniale® is thereby postponed indefinitely.¹⁾

1) In the meantime, LipoNova has withdrawn the approval application at the EMEA.

2) See the company's ad hoc release in accordance with § 15 WpHG of October 12, 2005.


The Executive Board of STADA then decided²⁾, on the same day, to completely write off and/or adjust the value of the LipoNova/Reniale® project. This decision, in accordance with IFRS, takes effect retroactively in the third quarter 2005. These write-offs and value adjustments primarily affect the 16% equity investment in LipoNova GmbH, Hanover, the loans granted in support of LipoNova's business activities and the pre-marketing activities, which STADA had carried out in France and Germany under the label Eurovax.

In addition, as a further one-time special effect, severance payments and impairment losses were added in the third quarter 2005 which reduce net income by a further approx. € 2.1 million before taxes and approx. € 1.2 million after taxes.

In total, the one-time special effects which have appeared to date in the current fiscal year 2005 have reduced net income by € 28.9 before taxes and € 23.0 million after taxes. Without these one-time special effects, net income after the first 9 months of 2005 would have increased to approx. € 90.7 million before taxes and approx. € 56.4 million after taxes.

Regional Developments in the STADA Group

In **Germany**, sales in the first nine months rose by 13% to € 323.3 million (1–9/2004: € 285.3 million). Sales growth in Generics developed at a disproportionately high rate of 16%. In Germany, as expected, STADA benefited, in terms of sales and especially in terms of earnings, by lower mandatory discounts for products not covered by reference prices. In the first nine months of 2005, mandatory discounts amounted to € 2.6 million, while in the same period of the previous year they amounted to € 15.7 million. Currently, within the framework of the formation of a new government in Germany, a series of health care



policy themes are being intensively discussed. So far, however, it is not foreseeable if or which concrete health care policy measures will be undertaken and whether these will have a positive or a negative effect on STADA's German business.

Sales in **Belgium** rose in the first 3 quarters of the current fiscal year by 44% to € 67.2 million (1–9/2004: € 46.7 million).

In **Italy**, sales went up by 41% to € 65.2 million (1–9/2004: € 46.4 million).

In **France**, sales growth of 32% to € 51.9 million (1–9/2004: € 39.3 million) was achieved. Currently, the French government is preparing regulatory measures which are likely to take effect on January 1, 2006 and which will lead to, among other things, a reduction in local price levels for pharmaceutical products. With this in mind, only a moderate sales growth is anticipated in 2006 in France, despite an unchanged strong growth in volume.

In **Spain** STADA's sales grew by 21% to € 39.9 million (1–9/2004: € 32.9 million).

In **Russia**, following the takeover of Nizpharm¹⁾, STADA showed sales in the local currency of RUB 1,375.2 million or € 38.9 million.

A slight decrease in sales in the first nine months of 2005 was seen in **The Netherlands**, with 5% to € 28.6 million (1–9/2004: € 30.0 million) and in the **United Kingdom** with 3% to € 22.2 million (1-9/2004: € 22.8 million). In the United Kingdom, STADA continues to focus on individual products with strong margins.

Sales developed positively in the reporting period in **Denmark** with an increase of 130% to € 14.8 million (1–9/2004: € 6.4 million), in **Ireland** with an increase of 16% to € 11.4 million (1–9/2004: € 9.9 million), in **Austria** with an increase of 20% to € 7.7 million (1–9/2004: € 6.4 million) and in the **Czech Republic** with a gain of 33% to € 4.9 million (1–9/2004: € 3.7 million).

Business development was once again very positive in the first nine months of 2005 in **Switzerland** with a sales gain of 14% to € 4.3 million (1–9/2004: € 3.8 million) and in the **Ukraine** – primarily due to the acquisition of Nizpharm – with sales in the local currency of UAH 27.8 million or € 4.3 million²⁾.

In **Portugal**, following the takeover of the Portuguese generics supplier Ciclum Farma, which has been consolidated in the STADA Group since May 1, 2005, STADA achieved sales of € 3.4 million³⁾.

1) Consolidated in the STADA Group since January 1, 2005; Sales in the first nine months of 2004: Nizpharm sales in Russia under the former owners: RUB 1.014.9 million; STADA exports to Russia € 0.5 million.

2) Consolidated in the STADA Group since Jan. 1, 2005; sales in the first nine months of 2004: Nizpharm sales in the Ukraine under the former owners UAH 15.8 million; STADA exports to the Ukraine € 0.8 million.

3) Sales in the first nine months 2004: Ciclum Farma under the former owners: € 5.3 million; STADA exports to Portugal € 0.0 million.



In the **USA**, STADA posted a decrease in sales in the local currency in the first 3 quarters of the current fiscal year of 32% to US\$ 29.4 million (1–9/2004: US\$ 43.3 million) or in Euro of 34% to € 23.5 million (1–9/2004: € 35.5 million). Here, the local sales company, STADA Pharmaceuticals Inc., due especially to its relatively small product portfolio, continues to be exposed to high price and margin pressure. In addition, as is generally known, the launch of the analgesic Fentanyl patch in the USA which is important for the development of the portfolio has, over the course of the year, been delayed again and again; a launch is to be expected in 2006. With this in mind, STADA is currently looking into all strategic and operative options for the US business such as, for example, the expansion of the portfolio through new product launches, product acquisitions and sales licenses.

In **Asia** in the first nine months of 2005, STADA achieved generally positive sales growth of 24% to € 19.6 million. Sales in **Thailand** in the first three quarters of 2005 decreased by 8% to € 1.9 million (1–9/2004: € 2.0 million) and in **China** sales stagnated at € 4.5 million (1–9/2004: € 4.5 million). This, however, could be compensated by sales increases in **The Philippines** of 33% to € 4.8 million (1–9/2004: € 3.7 million) and in **Vietnam** of 14% to € 4.4 million (1–9/2004: € 3.9 million). In **Kazakhstan** – due, among other things, to the acquisition of Nizhpharm – STADA posted sales in the local currency in the first nine months of 2005 of RUB 71.0 million or € 2.0 million¹⁾.

1) Consolidated since Jan. 1, 2005; Sales in the first nine months 2004: Nizhpharm sales in Kazakhstan under the former owners: RUB 23.3 million; STADA exports to Kazakhstan € 0.5 million.

Additionally, in the first three quarters of 2005, STADA exported products to a further 34 countries, achieving, with an increase of 35%, sales in the amount of € 10.1 million (1–9/2004: € 7.5 million).

Well-Filled Product Pipeline Provides a Continuous Flow of New Product Launches

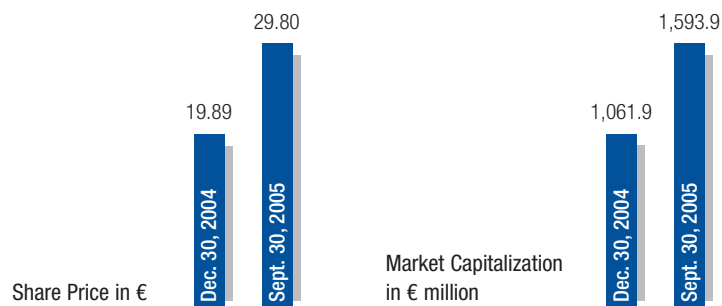
STADA's extensive development activities continue to ensure that the individual sales companies have a well-filled product pipeline. Thus, Group-wide in the reporting period 2005, 263 new products were launched in the market (1–9/2004: 238 new product launches). The corresponding expenses for these activities, in the form of research and development costs, rose in the first three quarters of the current fiscal year by 38% to € 23.0 million (1–9/2004: € 16.7 million). The continuous flow of new product launches will, in all probability, endure into the future.

In the course of the development of the biogenerics Erythropoietin, Filgrastim and Interferon beta-1a, which is being carried out by BIOEUTICALS Arzneimittel AG²⁾, a company initiated by STADA and financed largely with venture capital, the project Erythropoietin³⁾ continues to have first priority. The clinical tests which are seen as necessary for an approval application of BIOEUTICALS Arzneimittel AG will likely be completed on time during the current fourth quarter of 2005.

2) STADA holds 10% of BIOEUTICALS Arzneimittel AG, which has been furnished with an initial capital of € 50 million. Additionally, STADA holds distribution rights for the products developed by BIOEUTICALS Arzneimittel AG.

3) Erythropoietin is used, among other things, for dialysis patients to stimulate hematopoieses.

From today's perspective, STADA continues to assume that a Europe-wide approval for Erythropoietin can be obtained in 2007. With an EU-wide market volume of approx. € 1.1 billion, STADA believes that sales potential for Erythropoietin of up to



€ 70 million per year can be reached. STADA continues to investigate whether this potential can be expanded by involving additional partners in sales and marketing.

The development activities of BIOCEUTICALS Arzneimittel AG are supported by STADA with a capital guarantee/loan up to a maximum of € 25 million.

Balance Sheet Structure and Acquisitions

With an equity-to-assets ratio of 54.3% as of September 30, 2005 (62.6% as of December 31, 2004), STADA continues to have a solid balance sheet structure.

This is also clear in view of net debt, which as of September 30, 2005 with € 248.2 million (December 31, 2004: € 103.6 million) as compared to shareholders' equity of € 664.8 million as of September 30, 2005 (December 31, 2004: € 639.0 million) is, in the view of the Executive Board, still moderate.

On the basis of this strong balance sheet structure, STADA has continued its active acquisition policy in the current fiscal year in order to further accelerate growth in the Group.

Already in the first quarter of 2005, STADA was able to successfully complete the acquisition of the Russian company Nizhpharm – the largest acquisition in STADA's history. A further significant acquisition in the current fiscal year was the purchase of the Portuguese generics supplier Ciclum Farma in the second quarter 2005.

STADA continues to follow a strategy of accelerating organic growth through acquisitions and is continuously investigating appropriate projects.

STADA in the Capital Markets

In the first nine months of 2005, STADA's share price developed positively. As of September 30, 2005, the STADA share price was € 29.80. Compared to the closing price on December 30, 2004 of € 19.89, STADA's share price thereby rose by approx. 50%. As of September 30, 2005 the enterprise value of STADA was € 1.594 billion. As of December 30, 2004 STADA's market capitalization amounted to € 1.062 billion.

As of September 30, 2005 only DWS Investment held more than 5% of the STADA shares. In the third quarter of the current fiscal year, STADA did not purchase any of its own shares and sold 501 of its own shares at an average price of € 28.49. As of September 30, 2005 STADA thereby held 121,301 of its own shares. In the third quarter 2005, 4,127 options from STADA

1) The legally binding warrant conditions are published on the company's web site at www.stada.com.

warrants¹⁾ were exercised, leading to the creation of 82,540 new STADA shares. STADA's registered capital thereby rose as of September 30, 2005 to € 139,069,320.00 (December 31, 2004: € 138,816,132.00).

2) See the company's ad hoc release in accordance with § 15 WpHG of October 12, 2005.

The Executive Board has already decided²⁾, to recommend to the Supervisory Board to propose a resolution to the Annual General Meeting for the payment of a dividend for fiscal year 2005 of at least the same amount as in the previous year.

The STADA Outlook: Long-Term Growth Course Should Continue

3) Subject to any unforeseen events and with principally unchanged business risks, as described in detail in the company's 2004 Annual Report on pages 88 to 95.

In the view of the Executive Board, STADA remains strategically and operatively well-positioned³⁾. The focus on market segments with strong growth potential and the broad international positioning form the basis for the Group to continue – notwithstanding any regulatory measures in the individual national markets – the long-term growth course, also in the future.

H. Retzlaff

W. Jeblonski

Dr. K.-P. Reich

4) Employee representatives.

Publisher: STADA Arzneimittel AG, Stadastrasse 2–18, D-61118 Bad Vilbel, Phone: +49 (0) 61 01/6 03-0, Fax: +49 (0) 61 01/6 03-259, E-mail: info@stada.de

Members of the Executive Board: Hartmut Retzlaff (Chairman), Wolfgang Jeblonski, Dr. Klaus-Peter Reich

Members of the Supervisory Board: Dr. med. Eckhard Brüggemann (Chairman), Karl Hertle^{a)} (Vice Chairman), Dr. Martin Abend, Ms. Heike Ebert^{a)}, Uwe E. Flach, Dr. K. F. Arnold Hertzsch, Dieter Koch, Constantin Meyer, Adolf Zissel^{a)}

Forward-looking statements: This nine months report of STADA Arzneimittel AG contains certain statements regarding future events (as understood in the U.S. Private Securities Litigation Reform Act of 1995) that express the beliefs and expectations of management. Such statements are based on current expectations, estimates and forecasts on the part of company management and imply various known and unknown risks and uncertainties, which may result in actual earnings, the financial 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 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 Arzneimittel AG does not assume any obligation to update these forward-looking statements or adapt them to future events and developments.

Rounding: The key performance indicators presented in this nine months report are occasionally stated in euro millions, while in the interim financial statements presented at the end of this report the same figures are generally stated more precisely in euro thousands. Thus, some rounding differences may occur, although they are not material by their nature.

This nine months report is published in German (original version) and English (non-binding translation) and is subject to German law.

Contact: STADA Arzneimittel AG · STADA Corporate Communications · Phone: +49 (0) 61 01/6 03-1 13 · Fax: +49 (0) 61 01/6 03-5 06 · E-Mail: communications@stada.de

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Group Results

Consolidated Income Statement in € 000s		1/1–9/30/05	1/1–9/30/04	7/1–9/30/05	7/1–9/30/04
01. Sales		739,177	592,340	246,791	195,707
02. Cost of sales		371,304	301,806	123,245	100,689
03. Gross profit		367,873	290,534	123,546	95,018
04. Other operating income		10,073	12,014	1,076	1,509
05. Selling expenses		192,079	175,169	61,887	54,262
06. General and administrative expenses		51,729	39,367	15,871	12,236
07. Research and development expenses		22,994	16,657	7,188	5,810
08. Other operating expenses		22,328	14,609	6,807	3,503
09. Operating profit		88,816	56,746	32,869	20,716
10. Closing of the LipoNova/Reniale® project		-19,991	0	-19,991	0
11. Investment income		0	150	0	0
12. Interest result		-7,074	-7,598	-1,944	-2,565
13. Financial result		-7,074	-7,448	-1,944	-2,565
14. Earnings before taxes		61,751	49,298	10,934	18,151
15. Taxes on income		28,080	16,447	9,422	5,348
16. Net income¹⁾		33,671	32,851	1,512	12,803
• thereof net income distributable to shareholders of STADA Arzneimittel AG		33,406	32,820	1,413	12,791
• thereof net income relating to minority interests		265	31	99	12
17. Earnings per share in € (in accordance with IAS 33.10)		0.63	0.62 ²⁾	0.03	0.24 ²⁾
18. Earnings per share in € (diluted) (in accordance with IAS 33.31)		0.58	0.61 ²⁾	0.02	0.24 ²⁾
Consolidated Cash Flow Statement in € 000s (excerpt)		1/1–9/30/05	1/1–9/30/04		
Cash flow (gross)				71,695	58,058
Cash from operating activities				42,957	-7,769
Cash from investing activities				-177,216	-63,357
Cash from financing activities				102,260	-11,998
Other changes in shareholders' equity / currency translation				11,329	-1,780
Net cash for the period				-20,670	-84,904
Consolidated Statement of Changes in Shareholders' Equity in € 000s		1/1–9/30/05	1/1–9/30/04		
Shareholders' equity				638,995	614,498
Net income distributable to shareholders of STADA Arzneimittel AG				33,406	32,820
Capital increase				1,602	4
Change in the provision for cash flow hedges				+1,676	0
Dividend of STADA Arzneimittel AG				-20,775	-18,675
Other changes/currency translation				9,919	-2,019
Shareholders' equity				664,823	626,628
Segment Reporting in € 000s ³⁾		1/1–9/30/05	1/1–9/30/04		
1. Generics	Sales			533,712	442,591
	Operating profit			68,741	37,845
	Contribution to net income for the period			38,410	24,053
	Segment assets (Sept. 30)			384,836	346,228
	Liabilities (Sept. 30)			138,096	82,107
2. Branded Products	Sales			152,792	99,801
	Operating profit			27,081	9,746
	Contribution to net income for the period			16,355	5,279
	Segment assets (Sept. 30)			121,685	102,706
	Liabilities (Sept. 30)			24,151	19,107
3. Specialty Pharmaceuticals	Sales			18,484	18,896
	Operating profit			2,646	4,419
	Contribution to net income for the period			1,759	2,586
	Segment assets (Sept. 30)			66,533	67,153
	Liabilities (Sept. 30)			2,659	6,167
4. Commercial business	Sales			29,209	23,998
	Operating profit			1,632	1,447
	Contribution to net income for the period			929	845
	Segment assets (Sept. 30)			4,274	2,909
	Liabilities (Sept. 30)			10,171	6,888
5. Group holding company / other	Sales			4,980	7,054
	Operating profit ⁴⁾			-11,284	3,289
	Contribution to net income for the period			-24,047	57
	Segment assets (Sept. 30)			75,160	95,806
	Liabilities (Sept. 30)			327,293	209,580

1) Unless otherwise stated, "net income" in this nine months report refers to income attributable to the shareholders' stake in STADA Arzneimittel AG, which under IFRS also represents the basis for calculating earnings per share and diluted earnings per share.

2) Adjusted for the de facto 1:1 stock split on July 30, 2004.

3) Segment assets figures for the previous year were adjusted based on the allocation of minority interests to shareholders' equity.

4) Including eliminations within segments

The consolidated interim statements of STADA Arzneimittel AG as of Sept. 30, 2005 (like the consolidated financial statements as of December 31, 2004) were prepared in accordance with the accounting standards of the International Accounting Standards Board (IASB), which are known as International Financial Reporting Standards (IFRS). The same accounting policies applied in the consolidated financial statements for fiscal year 2004 were applied to these interim financial statements. The notes to the consolidated financial statements for 2004 also apply to these interim financial statements where appropriate. The present half year report fulfills the requirements for interim financial reports set out in IAS 34.

Consolidated Balance Sheet in € 000s

Assets	Sept. 30, 2005	Dec. 31, 2004
A. Non-current assets	674,949	551,850
1. Intangible assets	534,251	447,577
2. Property, plant and equipment	93,777	60,663
3. Financial assets	23,890	16,063
4. Non-current trade accounts receivable	1,054	4,934
5. Other non-current assets	9,642	12,944
6. Deferred tax assets	12,335	9,669
B. Current assets	548,700	468,584
1. Inventories	219,767	206,012
2. Current trade accounts receivable	221,536	159,090
3. Other current assets	52,006	24,918
4. Current securities	286	2,789
5. Cash and cash equivalents	55,105	75,775
Total assets	1,223,649	1,020,434
Equity and Liabilities		
A. Shareholders' equity¹⁾	664,823	638,995
1. Share capital	139,069	138,816
2. Reserves and unappropriated retained earnings	523,657	500,082
3. Minority interests	2,097	97
B. Non-current liabilities and provisions	305,557	141,070
1. Non-current provisions	13,884	13,377
2. Non-current financial liabilities	251,739	103,109
3. Non-current trade accounts payable	1,010	879
4. Other non-current liabilities	2,596	2,322
5. Deferred tax liabilities	36,328	21,383
C. Current liabilities and provisions	253,269	240,369
1. Current provisions	6,244	3,183
2. Current financial liabilities	51,867	79,064
3. Current trade accounts payable	106,122	86,211
4. Other current liabilities	89,036	71,911
Total equity and liabilities	1,223,649	1,020,434

1) In the time between January 1 and September 30, 2005, a total of 742 options from the STADA warrant (ISIN DE0007251845) were exercised, leading to 14,840 new shares. Registered capital as of June 30, 2005 thereby includes 53,405,660 shares.

2) Broken down according to the national market in which the sales were achieved.

Consolidated sales by region ²⁾ in € 000s	1/1–9/30/05	1/1–9/30/04	±%
Europe	695,867	539,817	+29%
• Belgium	67,226	46,694	+44%
• Denmark	14,820	6,438	+130%
• Germany	323,276	285,292	+13%
• France	51,875	39,263	+32%
• United Kingdom	22,198	22,772	-3%
• Ireland	11,408	9,876	+16%
• Italy	65,162	46,357	+41%
• The Netherlands	28,639	29,998	-5%
• Austria	7,664	6,364	+20%
• Portugal	3,384	4	+84,500%
• Russia	38,911	515	+7,456%
• Switzerland	4,327	3,794	+14%
• Spain	39,910	32,898	+21%
• Czech Republic	4,860	3,666	+33%
• Ukraine	4,297	847	+407%
• Rest of Europe	7,910	5,039	+57%
The Americas	23,577	35,550	-34%
• USA	23,478	35,514	-34%
• Rest of the Americas	99	36	+175%
Asia	19,648	15,855	+24%
• China	4,498	4,497	0%
• Kazakhstan	2,009	525	+283%
• The Philippines	4,846	3,651	+33%
• Thailand	1,876	2,046	-8%
• Vietnam	4,410	3,861	+14%
• Rest of Asia	2,009	1,275	+58%
Rest of World	85	1,118	-92%

