



STADA Arzneimittel AG

A global leader in generics

All the best :)

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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 mentioned 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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This STADA Arzneimittel AG presentation (subsequently "STADA") 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 not assume any obligation to update these forward-looking statements or adapt them to future events and developments.

The STADA Executive Board:
H. Retzlaff (Chairman), H. Kraft, Dr. A. Müller



Overview

STADA – Strategic background

Traditionally strong presence in Europe (> 30 countries)

Continuous internationalization with a focus on Eastern Europe

Extensive generics portfolio

Growing significance of highly profitable branded products business







Low operating cost structure

Organic and acquired growth

STADA – leading position in key markets

Company	Sales 2011 in €million
01 Teva	14,141
02 Sandoz	7,315
03 Watson/Actavis	5,337 ¹⁾
04 Mylan	4,734
05 STADA	1,715
06 Ranbaxy	1,632
07 Dr. Reddy's	1,166 ²⁾
08 Gedeon Richter	1,105
09 Krka	1,076
10 Cipla	1,012 ²⁾



Belgium: # 1	Eurogenerics	
Serbia: # 1	Hemofarm	
Russia: # 2 ³⁾	Nizhpharm MAKIZ	
Germany: # 3	ALIUD STADApHarm	
Italy: # 3	EuroGenerici	
Spain: # 3	Laboratorio STADA	



Data source: Annual Reports. Currency translation as of Dec. 31, 2011.

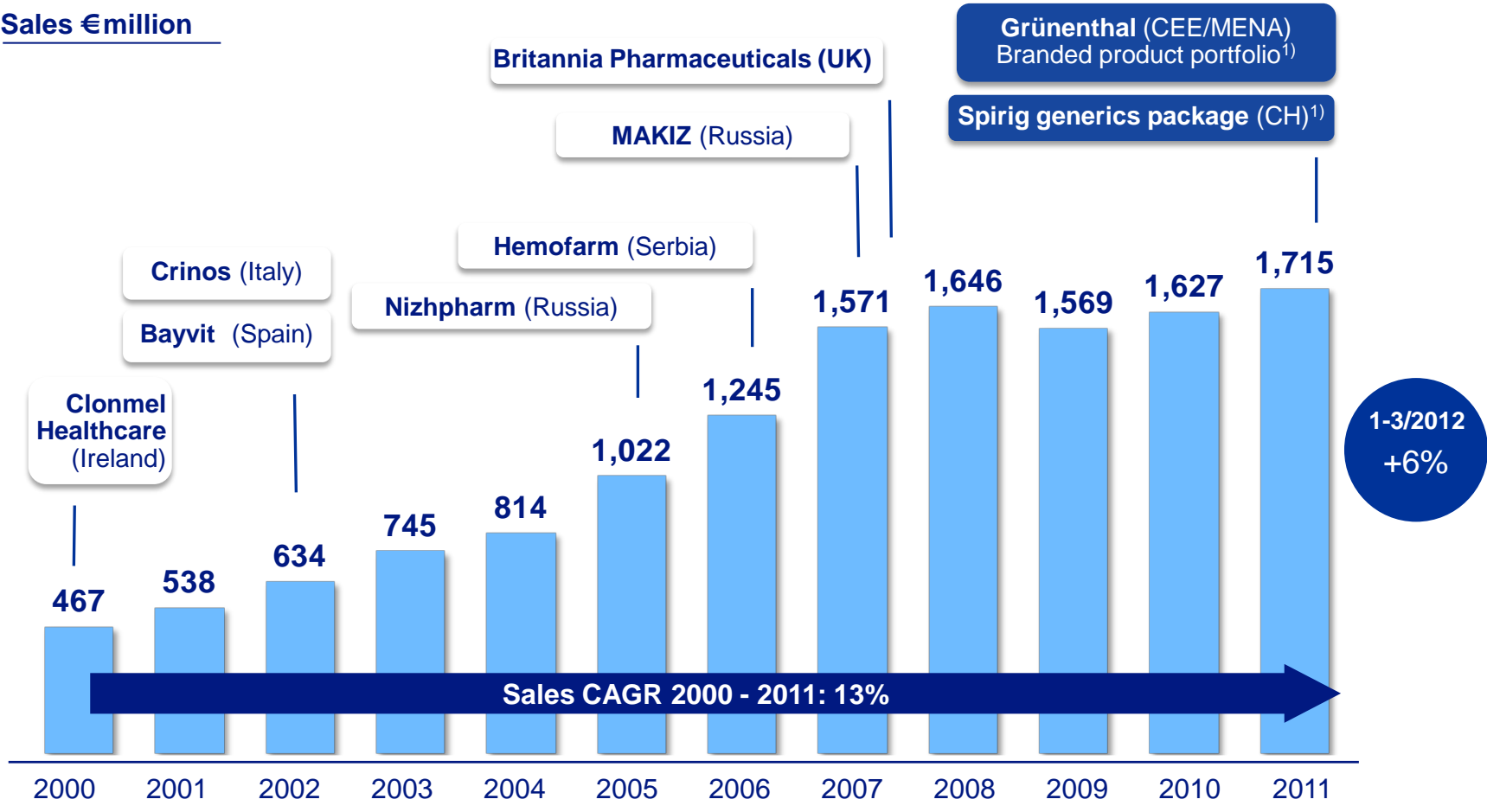
¹⁾ Pro-forma added sales 2011 Watson and Actavis.

²⁾ End of fiscal year: March 30, 2011.

³⁾ Local supplier/producer.

Longstanding internal & external growth

Sales €million



1) No sales and earnings contribution in 2011. In part not concluded until Q1/2012.

Responsibility and Sustainability



Environment	Sustainability
<ul style="list-style-type: none"> ▪ Business model without significant emission risks since there is no API production ▪ Energy recovery, neutralization and cleaning of laboratory water, most modern heating technology ▪ Expansion of green areas 	<ul style="list-style-type: none"> ▪ Generics provide for efficient (affordable) health care ▪ Sustainable, better use of resources ▪ Business model with no animal testing ▪ Image as health care AG



Growth perspectives

Roadmap

	2009	2011	2014
Sales	€1.57 billion	€1.72 billion	€2.15 billion at min.
EBITDA¹⁾	€287.5 million	€337.2 million	€430 million at min.
Net income²⁾	€115.8 million	€146.6 million	€215 million at min.

Components of growth	<ul style="list-style-type: none"> ▪ Organic Group development ▪ “STADA – build the future” (BtF) ▪ Current acquisitions
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Assumptions/ framework conditions: BtF investments to 2013 totaling approx. €20 million, BtF costs (one-time special effects) to 2013 totaling approx. €50 million.

1) Adjusted for one-time special effects (2009-2011) as well as effects from currency influences (2009). 2) Adjusted for one-time special effects (2009-2011) and non-operational effects from currency influences (2009) and interest rate hedge transactions (2009-2011).

Environment analysis

Growth markets health care & pharma

- Global population growth
- Aging society in industrialized countries
- Medical progress
- International pharmaceutical market prognosis to 2016: 4 to 6% p.a.¹⁾

Growth opportunities for generics

- Progressive generics penetration
- Continuous patent expirations
- World generics market prognosis to 2016: up to 9.6% p.a.²⁾

Growth opportunities

Additional growth opportunities

- Expansion of the branded products business
- Expansion in attractive growth markets with a focus on Eastern Europe

Specific challenges and additional risks³⁾

- Government regulation
- Exchange rate volatility
- Default risks, among other things

¹⁾ IMS MIDAS 2011; IMS Market Prognosis, Sep. 2011; IMS Institute For Healthcare Informatics analysis prepared for STADA, Feb. 2012. Data based on the 32 leading pharmaceutical markets.

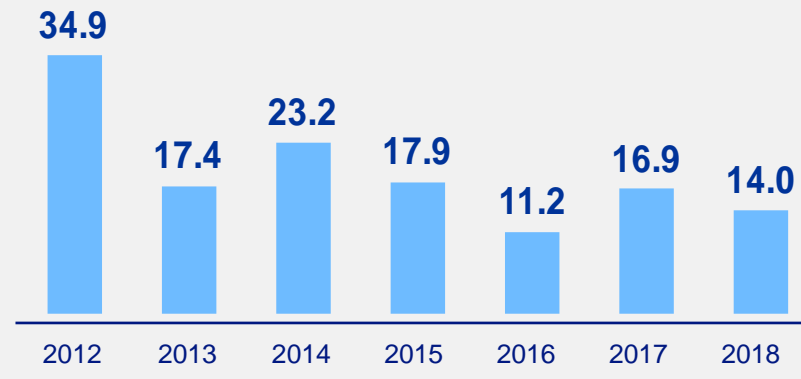
²⁾ IMS MIDAS 2011; IMS Market Prognosis, Sep. 2011; IMS Institute For Healthcare Informatics analysis prepared for STADA, Feb. 2012. The market data on generics fluctuate in some cases substantially due to differing market definitions from source to source.

³⁾ Challenges and risks are described in detail in the Annual Report 2011, particularly in the risk report.

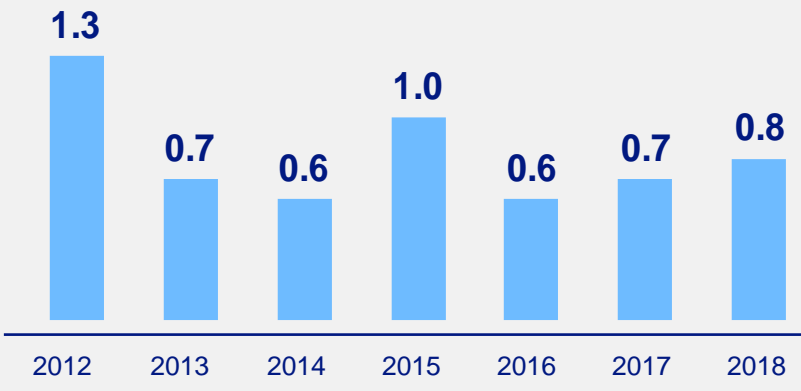
Growth driver patent expiry

New sales potential becoming available for generics competition (in €billion)¹⁾

Global



Germany²⁾



Record number of product launches

- Launch of 600 individual products worldwide in 2011
- 181 new products in 1-3/2012 (147 in 1-3/2011)

Full pipeline:

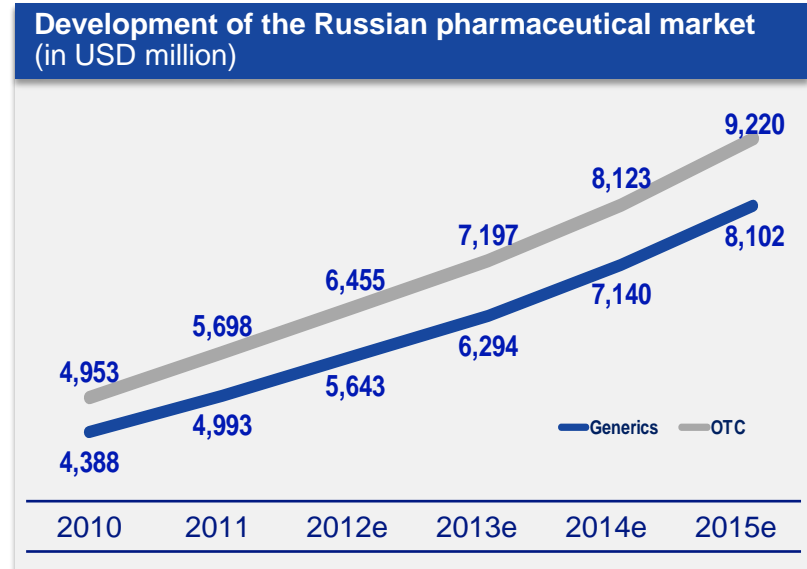
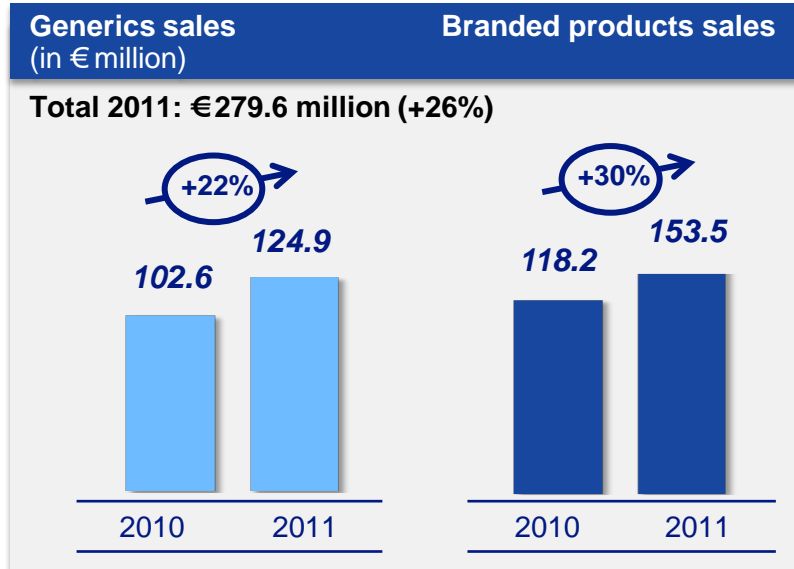
- Planning horizon: > 2017
- Current approval procedures: > 130 active ingredients worldwide for > 50 countries
- Over 900 pharmaceutical ingredients, over 13,000 product packagings marketed by the Group

Optimization in the area of development

- Expansion of Vrsac (Serbia) as an additional development center (ca. 50% of current own development)
- Establishment of development contracts in India (currently four pilot projects)

Source: STADA estimate of sales volumes at ex-factory prices. 1) As of December 2010. 2) As of December 2011.

Top growth market Russia



• STADA CIS representative offices
Over 650 sales representatives

Source: STADA, Broker Research.



- Estimated value of the Russian pharmaceutical market: USD 16 billion in 2011
- Average annual rate of sales growth in 2011-2015 of approx. 13% for OTC and generics
- STADA: No. 2 among local suppliers/ producers
- 72% of the market "out of pocket" (STADA: 88%)
- Increasing government health spending via GDP growth and more available income
- Limited government regulation ("essential and vital drug list")

Current business development activities

Russia

- Purchase of the branded product Tranexam® with a wide range of indications in the gynecology area as well as Vuka-Vuka® and Vuka Drive® in the area of nutritional supplements
- Perfect supplement to the product portfolio
- Use of existing sales platform

Ukraine

- Distribution licence for the branded product Ingavirin® for the treatment of viral infections

Australia










- Subsidiary founded to build up generics business with planned start in the market in Q3/2012
- Managing director with years of experience in the industry and local market expertise

Biosimilar-Activities


- License and collaboration agreements for the development and marketing of two biosimilar products signed with **Gedeon Richter Plc.**
- Purchase of non-exclusive rights for Europe and the CIS area¹⁾ for Rituximab as well as the option for a distribution license for Trastuzumab on similar conditions
- **Rituximab:** monoclonal antibody for the treatment of various forms of cancer, European market volume approx. EUR 1.15 billion p.a.
- **Trastuzumab:** monoclonal antibody for treatment of certain forms of breast cancer and stomach cancer, European market volume approx. EUR 1.39 billion p.a.
- High sales potential without cost-intensive own development

¹⁾ At first not including Russia due to regulatory reasons. Should such a partially-exclusive marketing license be possible in Russia according to regulations, STADA will then receive such a license there from Richter.

Continuous cost optimization

Own production sites	Share of production volume 2011
Western Europe  Bad Vilbel (Germany)  Pfaffenhofen (Germany)  Clonmel (Ireland) → Sale of STADA Production Ireland in Q1/2012 ¹⁾	approx. 31%
Eastern Europe  Vrsac (Serbia)  Sabac (Serbia) Dubovac (Serbia)  Banja Luka (Bosnia-Herzegovina) Podgorica (Montenegro)  Nizhny Novgorod (Russia)  Obninsk (Russia) Moscow (Russia) Ryazanskaya (Russia)	approx. 55%
Asia  Ho Chi Minh City (Vietnam; 50% JV) Beijing (China; only local)	approx. 14%

- **“STADA – build the future”:**
 - Sale of Irish production facility, expense in the amount of € 16.8 million before taxes incl. transfer of approx. 180 employees
 - Evaluation of sale of two production facilities in Russia
 - Reduction of complex Group structures
 - Introduction of improved IT modules for central planning and controlling of the supply chain and production
- **"Time and cheap to market" strategy:**
 - Increased utilization through transfer to own plants in low-cost countries
 - Optimized procurement costs through global sourcing (e.g. new procurement office in Shanghai), involvement of suppliers in market price risk and more own developments
- **Target: cost optimization ≥ price erosion** (price erosion 2011: >2% of Group sales²⁾)

 Sites or parts of the sites have been approved by EU authorities.

1) See the Company's ad hoc release of February 6, 2012.

2) At list prices before discounts.



Highlights 1-3/2012 and Outlook

Excellent operational start in Q1/2012



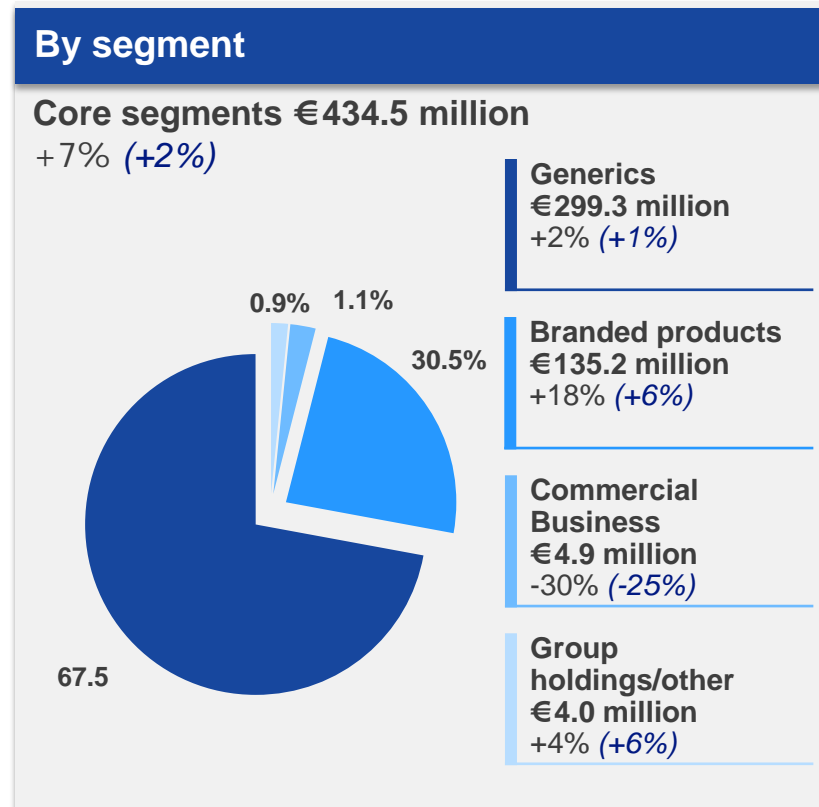
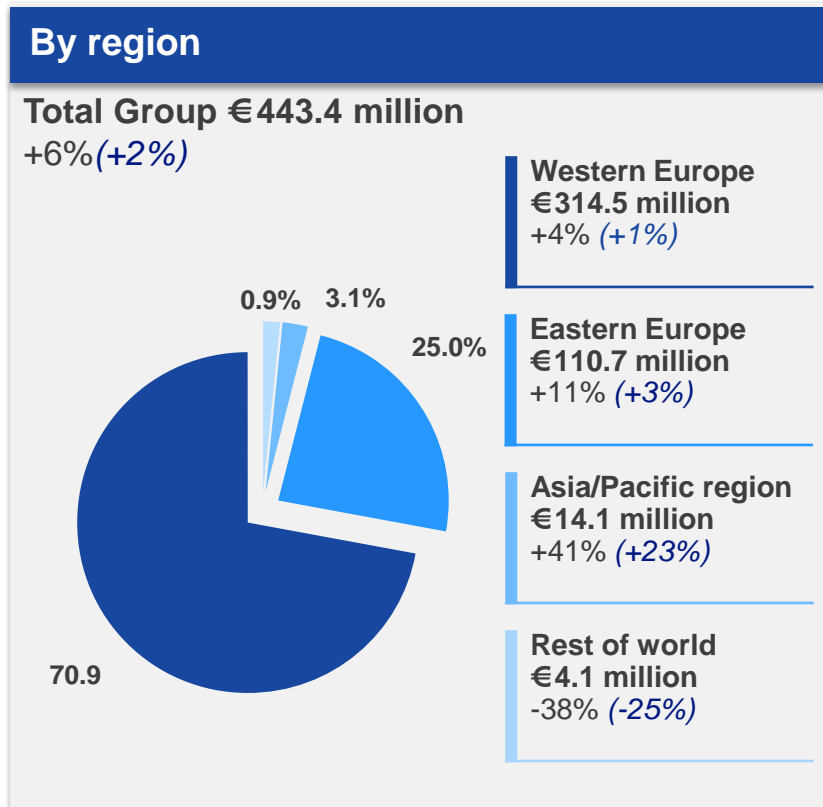
Further selected developments in the current financial year:

- **Implementation of “STADA – build the future” – sale of production facility in Ireland**
- **Securing of additional promissory notes in the total amount of €100 million**
- **Dividend proposal of €0.37 per STADA common share unchanged**



1) Adjusted for one-time special effects. 2) Adjusted for one-time special effects and non-operational effects interest rate hedge transactions.

Sales 1-3/2012



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

Outlook for 2012

	2012e ¹⁾ development of sales	2012e ¹⁾ operating profitability	Environment
Germany	→	+(+)	➤ Difficult framework conditions for generics, nevertheless growth in sales by volume and increased market share Primary goal: appropriate operating profitability
Russia	↑	+++	➤ Continued strong development, demand structure to remain characterized by self-pay patients
Italy	↗	++	➤ Increasing generics penetration and product launches
Belgium	↗	++	➤ Increasing generics penetration and product launches
Spain	↑	+++	➤ Strong growth in volume from increasing generics penetration and product launches
France	→	+	➤ Strong competition
Serbia	↗	++(+) ²⁾	➤ Strong demand, but reduced sales requiring adjustment in Q1/2012; modified distribution model

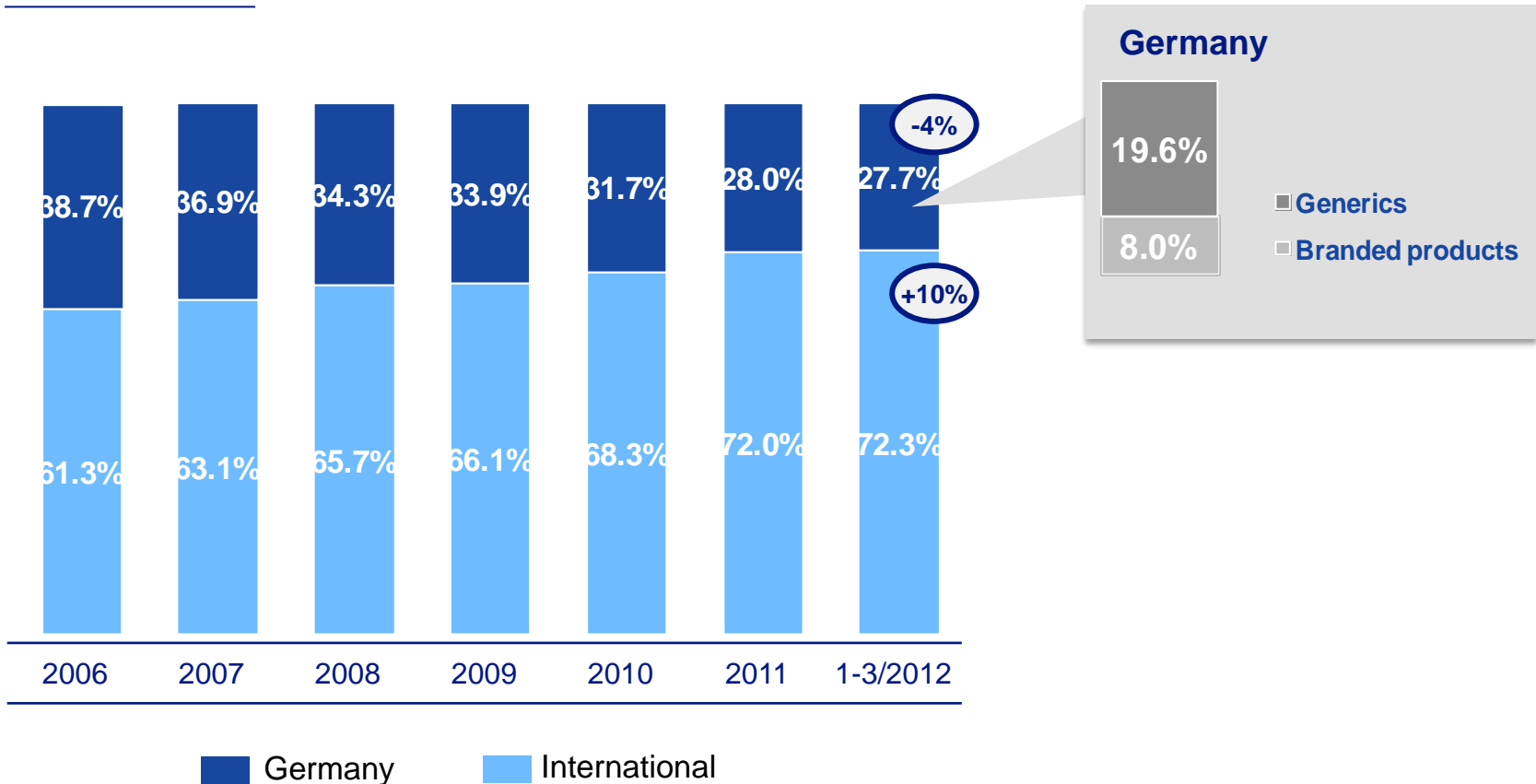
¹⁾ 2011e: STADA's current expectation for financial year 2012 in local currencies.

²⁾ In the context of the Hemofarm subgroup.








+++	= above operating Group margin
++	= in the area of Group margin
+	= below Group margin
o	= break even
-	= operating loss

Internationalization pushes forward

Sales share in %



STADA – top national markets 1-3/2012¹⁾

Country	Sales in € million 1-3/2012	Share of total sales	Δ vs. 1-3/2011 in %	Δ vs. 1-3/2011 CER ²⁾ in %
Germany	122.8	 20% 8%	-4	
Russia	64.8	 6% 8%	+19	+16
Italy	41.1	 7% 2%	+6	
Belgium	39.9	 9% 0%	+13	
Spain	35.9	 7% 1%	+17	
France	19.0	 4% 0%	+1	
Serbia	16.5	 3% 1%	-31	-27

■ Generics
■ Branded products

1) Markets with at least 4% share in Group sales. 2) CER: In constant exchange rates.

Serbia - stabilization

Letter of comfort

- Letter of comfort from the Serbian government for the payment of deliveries from drug manufacturers to government agencies from the year 2011 as well as for receivables resulting in the period of 2012-2013
- Concrete negotiations for repayment plans

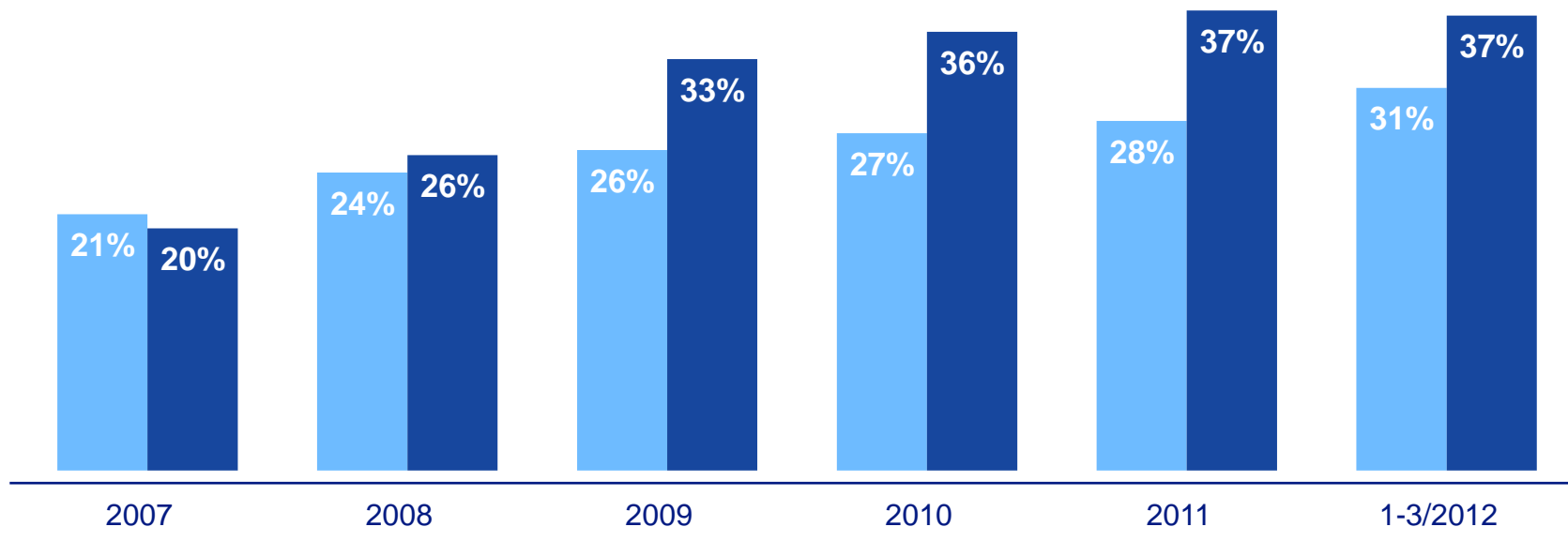
Adjusted distribution model – target: control of cash flows

- Stronger penetration of the cash market with selected wholesalers
- Expansion of direct business (Rx and OTC) with pharmacies/health care centers as well as relocation of business toward solvent wholesalers
- Hospital/tender market: via wholesalers in exchange for binding provision of securities

Positive outlook Serbia:

- Q1/2012: Sales below previous year's level as expected, but increased adjusted EBITDA and improved cash flow
- Successful implementation of the converted distribution model
- Sales growth in local currency for the full-year 2012

Expansion of branded product business in the Group strengthens operating profit

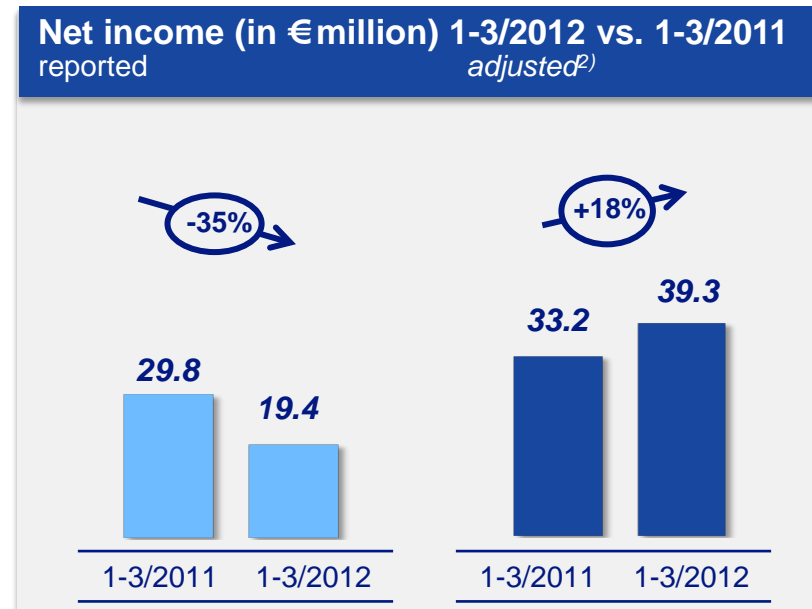
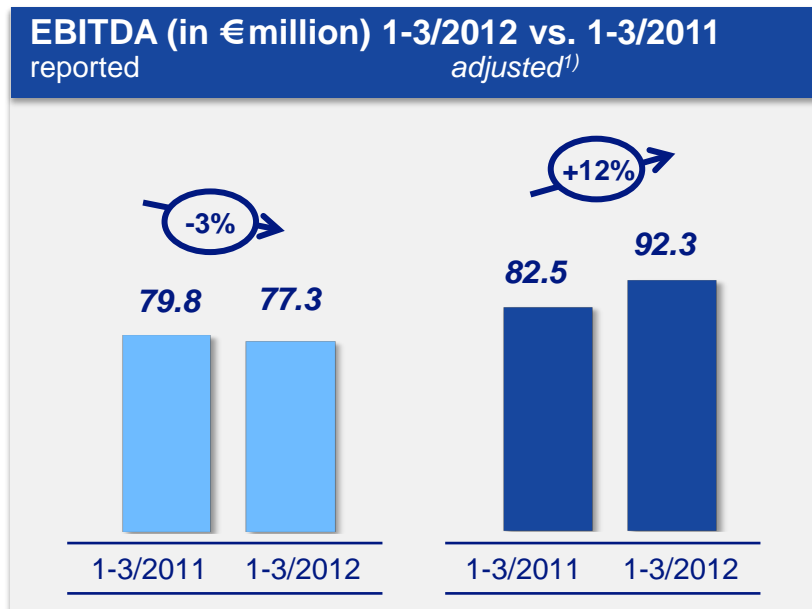


Share of branded products in sales of the core segments¹⁾

Share of branded products in adjusted operating profit of core segments¹⁾

¹⁾ Core segments include the two segments Generics and Branded Products.

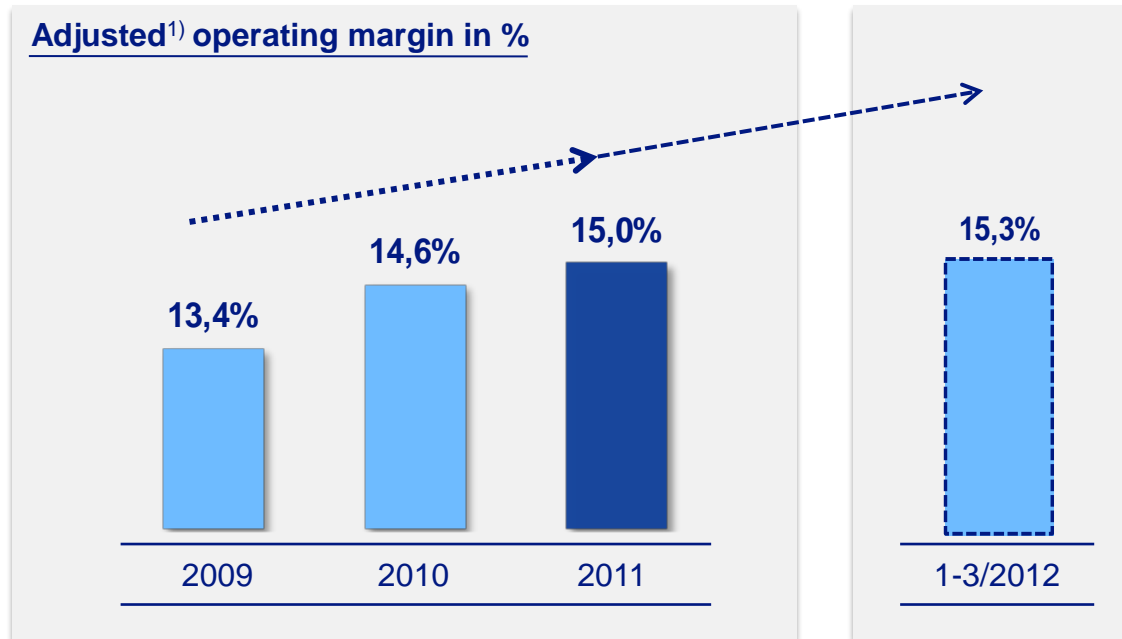
Key earnings figures



1) Adjusted for one-time special effects (2011-2012).

2) Adjusted for one-time special effects and interest rate hedge transactions (2011-2012).

Continuous improvement in margins



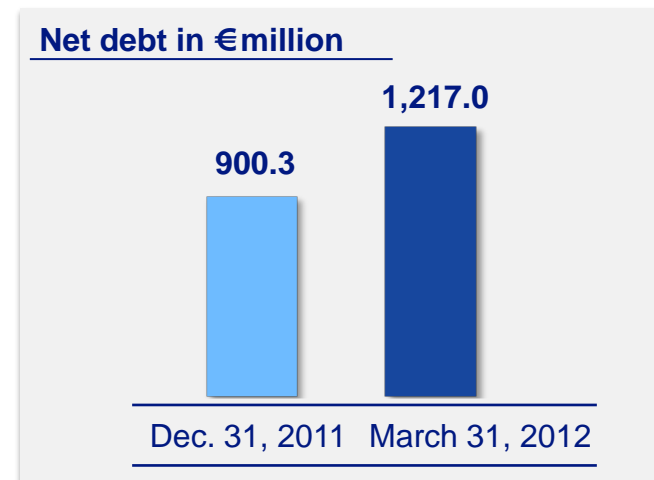
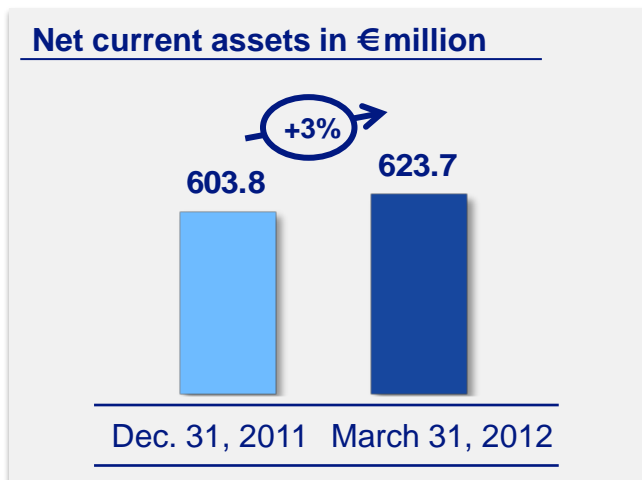
- Continuing cost discipline and savings accelerate due to the “STADA – build the future” project
 - Optimized procurement
 - More efficient supply chain and production strategy
- Economies of scale (volume gains)
- Shift to high margin product/ country mix

¹⁾ Adjusted for one-time special effects (2009-2012) as well as non-operational effects from currency influences (2009-2010).

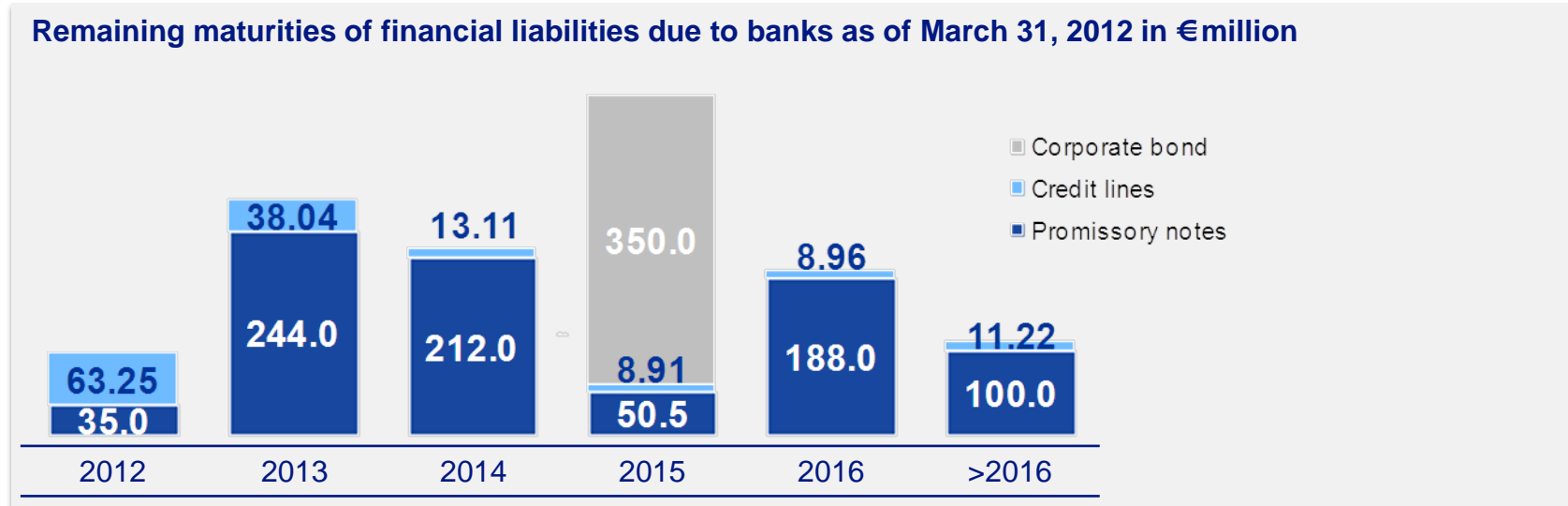
Stable balance sheet structure

Assets in €million	March 31, 2012	Dec. 31, 2011
A. Non-current assets	1,785.1	1,532.7
B. Current assets	1,087.4	1,267.1
Total assets	2,872.5	2,799.8

Equity and liabilities in €million	March 31, 2012	Dec. 31, 2011
A. Shareholders' equity	878.4	863.9
B. Non-current liabilities	1,336.1	1,254.9
C. Current liabilities	658.0	681.0
Total equity and liabilities	2,872.5	2,799.8



Stable financing structure



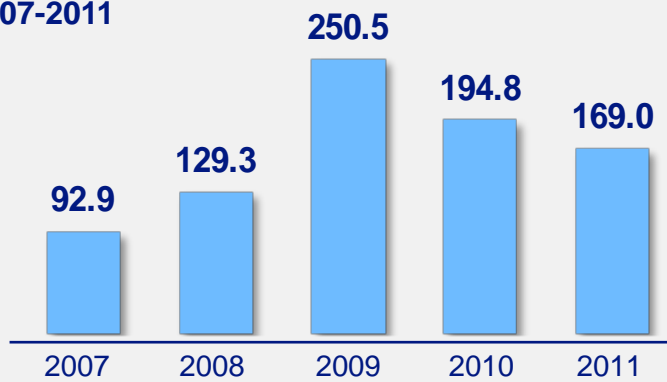
- Unproblematic refinancing: New promissory notes secured in the amount of €500 million (€400 million in December 2011 with maturity dates in 2014 and 2016 as well as €100 million in February 2012 with maturity date in 2017)
- **Net debt to adjusted EBITDA¹ ratio of March 31, 2012 increased to 3.3 due to takeover financing (December 31, 2011: 2.7)**
- Cash and cash equivalents including current securities: €106.0 million (December 21, 2011: €320.8 million)
- For years, STADA has had access to credit lines with firmly-pledged terms from banking partners

¹ Adjusted for one-time special effects.

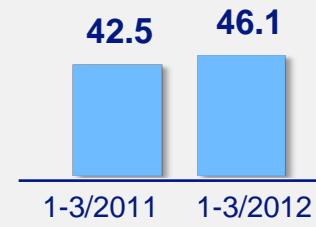
Cash flow from operating activities and free cash flow

Cash flow from operating activities (in € million)

2007-2011

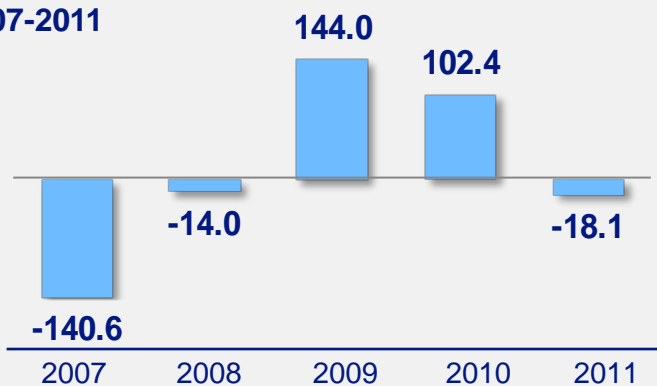


1-3/2012 vs.
1-3/2011

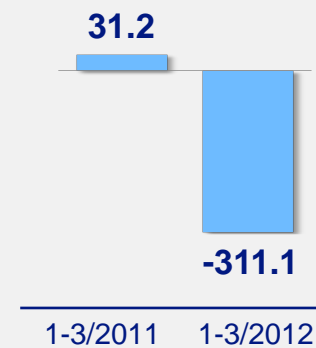


Free cash flow¹⁾ (in € million)

2007-2011



1-3/2012 vs.
1-3/2011



- Free cash flow adjusted for payments for significant acquisitions and proceeds from significant disposals amounted to €30.4 million in 1-3/2012.

¹⁾ Free cash flow comprises cash flow from operating activities and cash flow from investing activities.

Positive outlook for the Group

Outlook for 2012:

- Growth in Group sales
- Increase in adjusted EBITDA¹⁾ in the high single-digit percentage area
- Further growth in adjusted key earnings figures
- Significant increase in reported net income

Long-term prognosis for 2014 affirmed²⁾:

- Group sales: at least €2.15 billion
- EBITDA: at least €430 million
- Net income: at least €215 million






1) Adjusted for one-time special effects.

2) See the Company's ad hoc releases of June 7, 2010 and March 1, 2012.



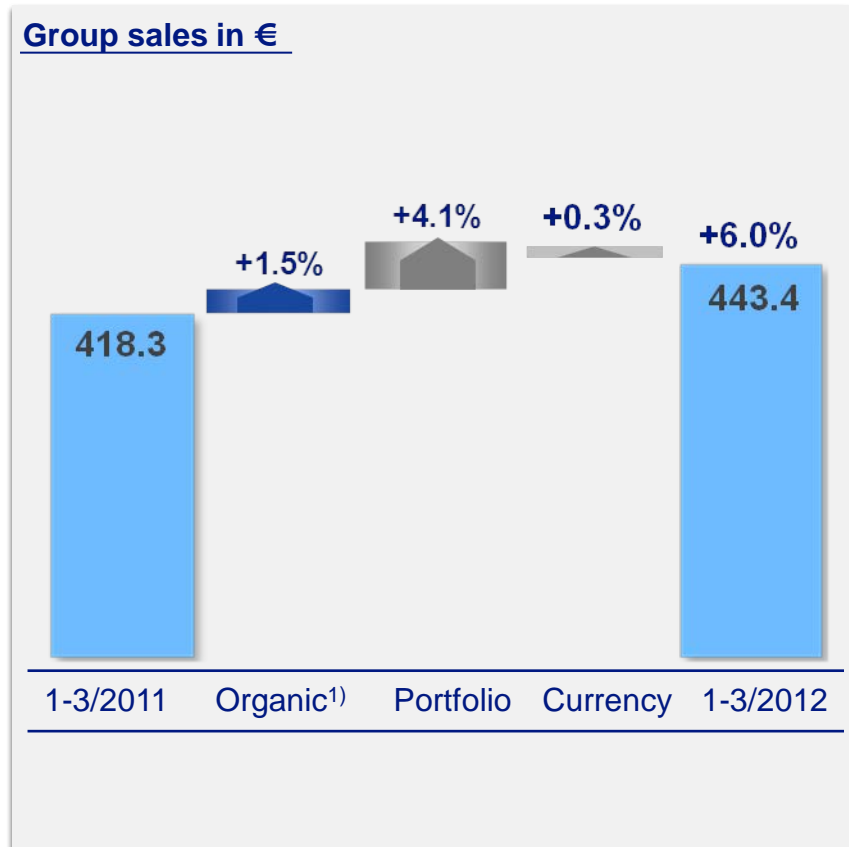
Notes

Attractive growth markets in Western Europe

Country	Off-patent market in € million	Generics market in € million	Generics penetration
Italy	5,023	814	 16%
Spain	4,033	1,304	 32%
Belgium	937	323	 34%
Switzerland	1,260	534	 42%
By comparison			
Germany	10,438	5,324	 51%

Source: STADA estimate at ex-factory prices based on market data provided by various international market research institutes for 2011.

Development of sales 1-3/2012



- Sales increase 1-3/2012 of 6.0%
- Adjusted¹⁾ sales growth 1.5%
- **Portfolio effects: +4.1 points**, among other things, due to the purchase of the generics business in Switzerland and a branded product portfolio in Central and Eastern Europe as well as the Middle East
- **Currency effects:**
+0.3 points from contradictory developments: appreciation of the Russian ruble more than offsets the significant depreciation of the Serbian dinar

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

EBITDA 1-3/2012 – adjustments

Reconciliation of reported EBITDA to be adjusted in €million		
reported	77.3	
	14.9	Expenses in connection with the “STADA – build the future” project
	0.1	Burden in connection with the recall of Citalopram
adjusted	92.3	

All adjusted key earnings figures clearly increased in 1-3/2012

Adjusted for one-time special effects & non-operational effects

In € million	1-3/2012	Δvs. 1-3/2011	1-3/2012	Δ vs. 1-3/2011
Operating profit	46.3	-20%	67.9	+7%
EBITDA)	77.3	-3%	92.3	+12%
EBIT	47.3	-18%	68.9	+8%
EBT	31.9	-30%	53.5	+7%
Net income	19.4	-35%	39.3	+18%
EPS in €	0.33	-35%	0.67	+20%
EPS in € (dil.)	0.33	-34%	0.66	+20%

P&L details 1-3/2012

	1-3/2012 in € million	1-3/2012 in % of Sales	1-3/2011 in € million	1-3/2011 in % of Sales
Gross profit	222.7	50.2%	199.0	47.6%
Selling expenses	102.4	23.1%	91.6	21.9%
G&A expenses	38.2	8.6%	32.9	7.9%
R&D expenses	13.1	2.9%	11.8	2.8%
Financial Result	-14.4		-12.2	
Taxes on income	12.3		15.7	

- Significant improvement of gross margin: changed product (price) mix and continued cost savings
- Tax rate 1-3/2012 before special effects reduced to 26.1% (2011: 28.6)
- Weighted average interest rate for the Group's financial liabilities reduced to approx. 4.6% as of March 31, 2012 (Dec. 31, 2011: approx. 4.7%)

Currency effects

Translation effects when transferring sales from local operating units into the Group accounting currency euro

in % points	Q1/2011	Q2/2011	Q3/2011	Q4/2011	2011	Q1/2012
Currency effects	-0.1	-1.3	-0.7	+0.1	-0.5	+0.3

P&L effects due to foreign currency items for monetary assets & liabilities

In € million	Q1/2011	Q2/2011	Q3/2011	Q4/2011	2011	Q1/2012
Net currency influence (from other income and other expenses)	-2.4	-1.5	-4.5	+2.4	-6.0	+2.9

Equity effects attributable to shareholders of STADA Arzneimittel AG due to currency differences directly recognized there

In € million	Q1/2011	Q2/2011	Q3/2011	Q4/2011	2011	Q1/2012
Equity netting	+8.5	+8.9	-14.3	-8.9	-5.8	-5.2

Balance sheet detail: Intangible assets

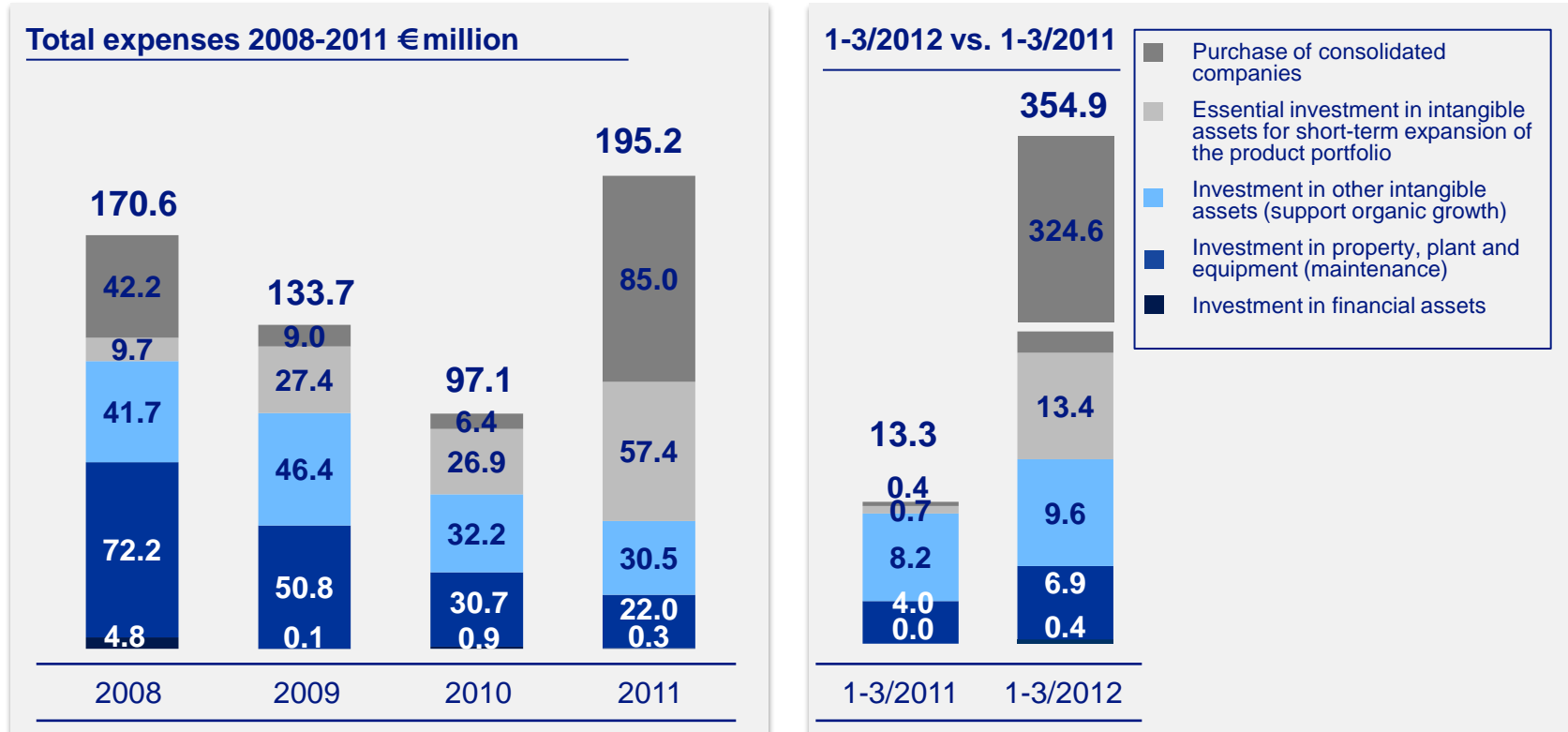
Residual carrying amounts of intangible assets at the end of reporting period in €million

	1-3/2012	2011	2010	2009	2008	2007
Goodwill	444	319	323	331	339	377
Approvals, trademarks etc.	837	568	563	571	567	651
Advance payments made	123	260	100	98	95	69
Total	1,404	1,147	986	1,000	1,001	1,097

- Top positions in terms of goodwill as of March 31, 2012:
 - Hemofarm subgroup: € 102.4 million
 - Branded product portfolio Grünenthal: € 92.3 million ¹⁾
 - Nizhpharm/MAKIZ (joint Cash Generating Unit): € 72.6 million
 - Generics business Spirig: € 31.4 million ¹⁾

¹⁾ Based on preliminary purchase price allocation.

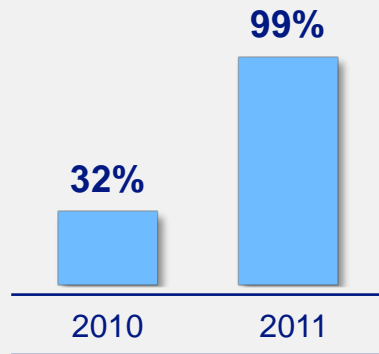
Expenses for capital expenditure



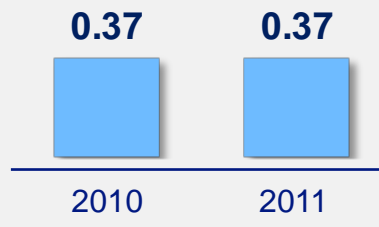
- Proceeds
 1-3/2012: €-2.4 million
 2011: €8.0 million
 2010: €4.7 million
 2009: €27.3 million
 2008: €27.3 million
- 1-3/2012: Expenses significantly above previous year due to accelerated acquisitions policy

Dividend proposal for 2011

Pay-out ratio



Dividend per STADA common share in €



- **Dividend distribution:**
€21.8 million (2010: €21.7 million)
- **Dividend policy:**
Shareholder participation in reported net income

Share capital and shareholder structure

	March 31, 2012
STADA shares ¹⁾²⁾	58,966,480
Potential number of shares from warrants 2000/2015 ³⁾	3,423,740
Amount of treasury shares	95,453

■ Current shareholder structure on Dec. 31, 2011:

- 100% free float
- Approx. 57% institutional investors
- Current notices with regard to the exceeding of the legal reporting threshold of > 3% of shareholdings are published on STADA website (www.stada.com)
- Approx. 13% pharmacists and doctors

¹⁾ Owners of registered common shares with restricted transferability must be recorded in the shareholders' register in order to be able to exercise their shareholders' rights. Recording in the shareholders' register is only possible with the approval of the Executive Board.

²⁾ Additional authorized capital of 29.4 million common shares.

³⁾ Exercise price for subscription of 20 common shares: € 329.00.



Investor Relations

Contact:

STADA Arzneimittel AG
Investor Relations

61118 Bad Vilbel, Germany

Telefon: +49 (0) 6101 603-113

Telefax: +49 (0) 6101 603-506

E-Mail: communications@stada.de

www.stada.de

Director Investor Relations:

Dr. Markus Metzger

markus.metzger@stada.de