Three questions for Chairman of the Executive Board Hartmut Retzlaff:

On the occasion of the Annual General Meeting of STADA Arzneimittel AG on June 4, 2014, the Chairman of the Executive Board, Hartmut Retzlaff, answers a few questions about the challenges, goals and the innovations of the company.

What challenges do you currently see in your industry and what are you doing to deal with them?

Especially in Germany, generics do not enjoy the level of appreciation that should be given to them as a result of their cost advantages as compared to the original products and the resulting substantial savings in the health care system. This is mainly due to the ruinous discount agreement system. In other European countries, too, we are faced with regulatory framework conditions in the generics area against the backdrop of the state deficits and corresponding forced austerity measures.

In order to counter these challenges, we have for years been pursuing a strategy that is based on two growth fields. On the one hand, we are concentrating on acquisitions in the area of Branded Products, because they are subject to fewer regulatory interventions that generics and thus have significantly more attractive margins. That the expansion of the branded product portfolio is the right course is demonstrated by, among other things, the fact that our brands now contribute 58% to adjusted operating earnings in the core segments. On the other hand, we are consistently pursuing the expansion of our international business activities, which at an early stage we have geared toward strong growth markets and emerging markets in particular.

About five months of the current financial year are now behind you. How do you intend to reach your goals for 2014?

In light of the positive development in the first quarter of 2014, we expect that we will reach our goals. In Branded Products, last year's purchase of the British OTC supplier Thornton & Ross – number five on the British OTC market – will make a contribution here. But also the recently acquired Russian package of branded products Aqualor® will make a relevant contribution. We should reach our goal in generics through the intensified introduction of new products and formulations.

With a view to our four market regions, we also have strong growth drivers. In Germany, we will continue to grow with the highly profitable branded products. In Central Europe we are currently noticing less regulatory headwind in the generics area and are building – especially in the United Kingdom – on our strong branded products business. We are standing by our activities in CIS/Eastern Europe – despite the currently difficult situation arising from the political crisis. Here we have taken measures to alleviate the negative impact from the devaluation of the ruble as well as further important currencies in this market region and the weakness in demand that we are also seeing. In addition, we expect a revival of demand on the Russian market. This will, however, be a question of time. In the market region Asia & Pacific, we anticipate substantial growth as a result of the consolidation of two Vietnamese companies. Beyond that, the licensing business in Myanmar, where we are one of the first movers, is showing very positive development.

With regard to the non-operational growth drivers, we will benefit from our efficiency enhancement program and our culture of cost efficiency.

What long-term plans are you pursuing in relation to innovative product fields – even though STADA is not active in the area of research?

For competition and margin considerations, the increasingly important field of biosimilars is attractive for us – also because for the first time in the years to come more biopharmaceutical products will become patent-free that chemical-synthetic produced products. With this in mind, we made the decision already years ago to license in biosimilars because this for us represents the course with the lowest risk and lower costs. In this way, we have had since 2011 license agreements for the development and marketing of biosimilar products for the two monoclonal antibodies Rituximab and, optionally, Trastuzumab In the past financial year, we licensed in the filgrastim product Grastofil® for which we are currently in the sales preparation phase. Just a while ago, we were also already able to secure contractual options on a further Biosimilar for which patent protection will expire in the next few years. Fundamentally, we will also continue to review any options that we encounter for the licensing in of additional biosimilars.

Additional information for analysts:
STADA Arzneimittel AG / Investor Relations / Stadastraße 2–18 / 61118 Bad Vilbel – Germany /
Phone: +49 (0) 6101 603-113 / Fax: +49 (0) 6101 603-506 / e-mail: communications@stada.de

Additional information for journalists:
STADA Arzneimittel AG / Media Relations / Stadastraße 2–18 / 61118 Bad Vilbel – Germany /
Phone: +49 (0) 6101 603-165 / Fax: +49 (0) 6101 603-506 / e-mail: press@stada.de