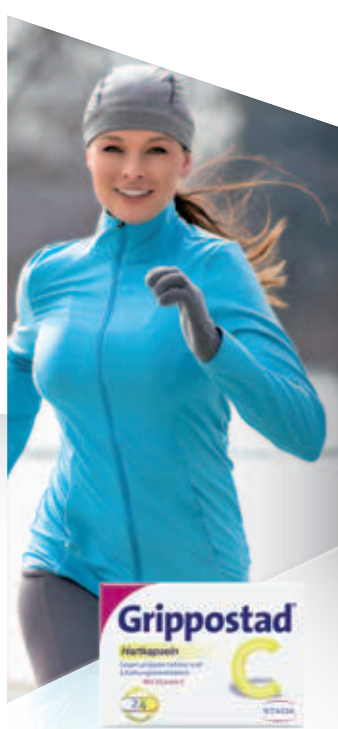


STADA Arzneimittel Aktiengesellschaft

ANNUAL
FINANCIAL STATEMENTS
AS OF DECEMBER 31
2017



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Combined Management Report

The management report of STADA Arzneimittel AG and the consolidated management report have been combined pursuant to Section 315 (5) of the German Commercial Code in conjunction with Section 298 (2) of the German Commercial Code and published in the STADA Annual Report 2017.

The Annual Financial Statements and the Management Report combined with the Group Management Report of STADA AG for financial year 2017 are submitted to the operator of the Federal Gazette and published in the Federal Gazette.

The Annual Financial Statements of STADA Arzneimittel AG as well as the Group Annual Report for financial year 2017 are also available on the internet at www.stada.de bzw. www.stada.com

Balance Sheet

Balance Sheet as of December 31 in € Assets	Dec. 31, 2017	Dec. 31, 2016
A. Non-current assets		
I. Intangible assets		
1. Concessions acquired against payment, commercial property rights and similar rights and values as well as licenses for such rights and values	195,536,838.33	206,958,893.46
2. Goodwill	35,574,978.05	42,764,862.11
3. Advance payments	63,527,656.11	57,649,987.73
	294,639,472.49	307,373,743.30
II. Property, plant and equipment		
1. Land, leasehold rights and buildings including buildings on third-party land	35,962,545.01	38,295,937.13
2. Plant and tools and machinery equipment	8,841,760.27	9,996,392.65
3. Other fixtures and fittings, tools and equipment	9,891,333.74	10,639,587.93
4. Advance payments and construction in progress	1,048,100.62	419,815.10
	55,743,739.64	59,351,732.81
III. Financial assets		
1. Shares in affiliated companies	1,274,836,697.50	1,278,411,933.86
2. Loans to associates	495,099,246.78	558,298,291.05
3. Investments	19,349,690.51	19,349,690.51
	1,789,285,634.79	1,856,059,915.42
	2,139,668,846.92	2,222,785,391.53
B. Current assets		
I. Inventories		
1. Materials and supplies	10,416,184.60	8,117,297.44
2. Work in progress	5,603,116.81	5,029,725.12
3. Finished goods and merchandise	9,301,978.19	34,740,870.47
4. Advance payments	1,186,859.10	1,460,800.37
	26,508,138.70	49,348,693.40
II. Receivables and other assets		
1. Trade accounts receivable	696,383.05	2,624,112.46
2. Receivables from associates	422,504,773.38	471,846,947.57
3. Receivables from associates and other participating interests	151,679.63	175,613.70
4. Other assets	19,425,392.11	10,785,662.96
	442,778,228.17	485,432,336.69
III. Cash on hand and balances with banks	98,089,445.24	179,898,335.71
	567,375,812.11	714,679,365.80
C. Prepaid expenses/deferred charges	2,933,085.01	3,422,134.28
	2,709,977,744.04	2,940,886,891.61

Balance Sheet

Balance Sheet as of December 31 in € Equity and Liabilities	Dec. 31, 2017	Dec. 31, 2016
A. Equity		
I. Share Capital	162,090,344.00	162,090,344.00
Treasury shares	-219,208.60	-221,111.80
Issued capital – Conditional Capital: € 69,188,340 (previous year: € 69,188,340)	161,871,135.40	161,869,232.20
II. Capital reserve	519,604,330.22	519,579,535.61
III. Retained earnings		
1. Statutory reserve	376,883.98	376,883.98
2. Other retained earnings	150,562,714.00	150,551,551.00
IV. Distributable profit	61,268,491.05	67,032,635.51
	893,683,554.65	899,409,838.30
B. Provisions		
1. Provisions for pensions and similar obligations	7,814,658.99	7,830,730.99
2. Tax provisions	36,465,915.85	17,730,433.85
3. Other provisions	77,454,064.06	88,355,741.93
	121,734,638.90	113,916,906.77
C. Liabilities		
1. Bonds, of which convertible € 0.00 (previous year € 0.00)	650,000,000.00	650,000,000.00
2. Liabilities to banks	550,999,999.90	779,000,021.41
3. Trade accounts payable	42,534,655.95	31,475,434.74
4. Liabilities to associates	432,457,990.90	434,792,467.73
5. Other liabilities		
– thereof from taxes: € 1,706,527.95 (previous year: € 2,722,755.90)	18,566,903.74	32,292,222.66
– thereof in the context of social security: € 0.00 (previous year: € 0.00)		
	1,694,559,550.49	1,927,560,146.54
	2,709,977,744.04	2,940,886,891.61

Income Statement

Income statement for the period of Jan. 1 to Dec. 31 in €	2017	2016
1. Sales	446,944,223.52	438,111,407.48
2. Increase in inventories of finished goods and work in progress	0.00	794,962.58
Decrease in inventories of finished goods and work in progress	5,250,472.33	0.00
3. Other operating income – thereof from currency translation: € 28,935,346.65 (previous year: € 40,978,477.14)	61,620,674.95	80,046,009.62
	503,314,426.14	518,952,379.68
4. Cost of materials		
a) Cost of materials and supplies and goods purchased	143,560,873.81	159,513,031.63
b) Expenses for services	18,508,029.62	16,172,934.69
	162,068,903.43	175,685,966.32
5. Personnel expenses		
a) Salaries	85,860,751.03	85,425,742.80
b) Social security contributions and expenses for retirement benefits and support – thereof for retirement benefits: € 905,346.60 (previous year: € 1,021,524.89)	11,046,891.87	11,062,937.12
	96,907,642.90	96,488,679.92
6. Amortization/depreciation on non-current intangible assets and property, plant and equipment	52,545,189.95	87,720,091.68
7. Other operating expenses – thereof from currency translation: € 30,026,223.02 (previous year: € 40,723,922.25)	245,672,048.31	237,823,330.56
8. Investment income – thereof from associates: € 22,301,247.41 (previous year: € 51,018,471.59)	22,301,247.41	51,018,471.59
9. Income from profit transfer agreements	79,288,179.00	73,481,176.27
10. Income from loans – thereof from associates: € 35,819,143.97 (previous year: € 36,750,433.02)	35,819,143.97	36,750,433.02
11. Other interest and similar income – thereof from associates: € 23,511,838.28 (previous year: € 26,340,740.49)	24,229,343.17	28,372,411.80
12. Depreciation on financial assets	20,652,468.87	9,777,411.15
13. Interest and similar expenses – thereof from associates: € 11,891.77 (previous year: € 74,092.33) – thereof from the unwinding of the discount: € 646,435.00 (previous year: € 460,258.00)	26,259,679.58	35,659,814.74
14. Taxes on income and earnings	21,667,311.56	13,853,462.43
15. Earnings after taxes	39,179,095.09	51,566,115.56
16. Other taxes	117,386.67	93,304.88
17. Net profit	39,061,708.42	51,472,810.68
18. Profit brought forward from the previous year	22,206,782.63	15,559,824.83
19. Distributable profit	61,268,491.05	67,032,635.51

Notes to the 2017 Annual Financial Statements of STADA Arzneimittel AG

Accounting requirements applied

In accordance with Section 267 HGB, STADA Arzneimittel AG, Bad Vilbel, Germany (District Court Frankfurt am Main, HRB 71290) is a major incorporated body. In addition to general requirements to the books of account (Sections 238 ff. of the German Commercial Code in the German Accounting Directive Implementation Act, BilRUG), the supplementing requirements for incorporated bodies with regard to annual financial statements and management report (Sections 264 ff. of the German Commercial Code) and the supplementing regulations of the German Stock Corporation Act (Aktiengesetz, AktG) apply.

The income statement was prepared according to the total-cost method.

Accounting policies

Intangible assets acquired against payment are recognized at cost less scheduled, and, to the extent necessary, unscheduled amortization, generally with application of the straight-line method. Intangible assets are amortized over a useful lifetime of three to 15 years. Unscheduled depreciation is carried when there are expected lasting impairment losses. Write-ups as a result of the requirement to reinstate original values are undertaken up to amortized cost if the reasons for a long-term impairment no longer exist. Intangible assets reported by STADA Arzneimittel AG include drug approvals, brands, licenses, marketing rights, software and goodwill. Internally-created intangible assets are not capitalized.

The useful life of twelve years for goodwill takes account of the future economic benefits in the intangible assets. The useful lives of individual items of goodwill were determined on the basis of the expected economic benefits of acquired businesses and are oriented towards the useful lives of product rights purchased via acquisition and evaluated by an expert.

Property, plant and equipment are also recognized at cost less depreciation over their useful life and generally depreciated using the straight-line method. The cost of self-constructed assets includes directly attributable costs as well as appropriate proportions of overhead costs. To the extent necessary, unscheduled depreciation was carried out. Disposals are derecognized at cost of acquisition and accrued depreciation at the time of their removal.

Useful life of property, plant and equipment	Expected depreciation
Factory and office buildings	15 to 50 years
Operating facilities	10 to 15 years
Plant and office furniture and equipment	3 to 13 years

Movable assets with a limited life of up to € 150 are fully depreciated in the year they were added. Independently usable movable assets with a limited life from € 150 to € 1,000 are allocated to a compound item that is reversed over five years. At the time they become fully amortized, these assets are reported as a disposal in the assets analysis. For simplification, the compound tax item method is also reported in the commercial balance sheet.

Advance payments are measured at their nominal amount.

Financial assets are recognized at cost or in the case of expected long-term impairment, if it is lower than cost, at fair value. If the reasons for impairment are completely or partially inapplicable and if a value adjustment was carried out in the previous years, a reversal of an impairment loss is carried out, up to a maximum of the historical cost.

Inventories are measured at cost. Alongside individual costs, cost includes production overheads, material overheads and depreciation and amortization on fixed assets as well as administrative expenses on a pro rata basis. Cost does not include interest on borrowings. For the calculation of cost of acquisition or cost of sales, the first-in, first-out (fifo) procedure is used as a cost allocation procedure. The inventories are written down at the end of the reporting period provided the market value is lower. Inventory risks resulting from the storage period are taken into account.

Receivables, other assets and cash are recognized at nominal value. For receivables, identifiable risks are accounted for through appropriate individual valuation adjustments. General credit risks are sufficiently accommodated with a general bad debt provision. Low-interest or non-interest-bearing items with a remaining maturity of more than one year are discounted. Existing cash and cash equivalents in foreign currency are measured at the mean spot exchange rate.

For financial instruments that are hedged (hedged item and hedging transaction), the real-time update method was used. In the real-time update method, unrealized losses were not booked that resulted from hedged risks provided they are matched with unrealized gains in the same amount.

Prepaid expenses include the discount that resulted from the difference between the settlement amount and the lower issue price of a financial liability. The discount is depreciated over the period of the financial liability.

Subscribed capital is accounted for at its nominal value.

Pension provisions were measured using actuarial techniques in accordance with the Projected Unit Credit Method (PUC). In the case of pension obligations, use was made of the option to apply as a discount rate the average market interest rate determined and published by the German Central Bank with a 15-year term. The covered funds were offset against the pension provisions. The offset-covered funds are measured at fair value.

Tax and other provisions are recognized at the settlement amount necessary based on reasonable commercial judgment, taking into account any identifiable risks and uncertain obligations. Price and cost increases expected in the future were taken into account. Provisions with a remaining term of over one year were discounted in accordance with the average market interest rate of the last seven years.

Liabilities are reported at nominal value or the higher settlement amount.

Foreign currencies are translated on the day they originate, at their bid price for receivables and their asking price for liabilities.

Receivables and liabilities in foreign currencies were measured at nominal value or the settlement amount at the mean spot exchange rate as of the reporting date. Gains are only taken into account if they relate to receivables and liabilities with a remaining term of up to one year.

Notes to the Annual Financial Statements 2017

Balance Sheet

1. Fixed assets

For the development of fixed assets in 2017 including cumulated cost and cumulated depreciation, please see the following assets analysis.

Statement of changes in non-current assets of STADA Arzneimittel AG as of Dec. 31, 2017 in €	As of Jan. 1, 2017	Historic costs of acquisition				As of Dec. 31, 2017
		Additions 2017	A	Disposals Reclassifications 2017	D R	
Non-current assets						
I. Intangible assets						
1. Concessions acquired against payment, commercial property rights and similar rights and values, as well as licenses for such rights and values	638,680,660.26	6,600,504.50	A	10,584,627.87	R	655,865,792.63
2. Goodwill	94,848,304.33	0.00		0.00		94,848,304.33
3. Advance payments made	93,824,413.58	17,358,618.75	A	6,800.00 10,555,707.87	D R	100,620,524.46
	827,353,378.17	23,959,123.25		22,120.00		851,334,621.42
II. Property, plant and equipment						
1. Land, leasehold rights and buildings including buildings on third-party land	70,153,028.41	0.00		0.00		70,153,028.41
2. Plant and tools and machinery equipment	33,969,826.79	901,851.30	A	202,883.34	R	35,074,561.43
3. Other fixtures and fittings, tools and equipment	46,085,915.04	1,459,981.86	A	166,758.57 166,445.22	D R	47,545,583.55
4. Advance payments and construction in progress	419,815.10	1,026,534.08	A	398,248.56	R	1,048,100.62
	150,628,585.34	3,388,367.24		195,678.57		153,821,274.01
III. Financial assets						
1. Shares in associates	1,357,926,119.72	4,574,546.68	A	436,516.75	D	1,362,064,149.65
2. Loans to associates	558,298,291.05	0.00		63,199,044.27	D	495,099,246.78
3. Investments	19,349,690.51	0.00		0.00		19,349,690.51
	1,935,574,101.28	4,574,546.68		63,635,561.02		1,876,513,086.94
	2,913,556,064.79	31,922,037.17		63,809,119.59		2,881,668,982.37

As of Jan. 1, 2017	Accumulated amortization				As of Dec. 31, 2017	Residual carrying amount Dec. 31, 2017	Residual carrying amount Dec. 31, 2016
	Additions Write-ups 2017	A W	Disposals Reclassifications 2017	D R			
431,721,766.80	37,415,919.92 8,865,492.42	A W	0.0 56,760.00	D R	460,328,954.30	195,536,838.33	206,958,893.46
52,083,442.22	7,189,884.06	A	0.00		59,273,326.28	35,574,978.05	42,764,862.11
36,174,425.85	982,002.50	A	6,800.00 56,760.00	D R	37,092,868.35	63,527,656.11	57,649,987.73
519,979,634.87	36,722,314.06		6,800.00		556,695,148.93	294,639,472.49	307,373,743.30
31,857,091.28	2,333,392.12	A	0.00		34,190,483.40	35,962,545.01	38,295,937.13
23,973,434.14	2,259,367.02	A	0.00		26,232,801.16	8,841,760.27	9,996,392.65
35,446,327.11	2,364,624.33	A	156,701.63	D	37,654,249.81	9,891,333.74	10,639,587.93
0.00	0.00		0.00		0.00	1,048,100.62	419,815.10
91,276,852.53	6,957,383.47		156,701.63		98,077,534.37	55,743,739.64	59,351,732.81
79,514,185.86	20,652,468.87 12,939,202.58	A W	0.00		87,227,452.15	1,274,836,697.50	1,278,411,933.86
0.00	0.00		0.00		0.00	495,099,246.78	558,298,291.05
0.00	0.00		0.00		0.00	19,349,690.51	19,349,690.51
79,514,185.86	7,713,266.29		0.00		87,227,452.15	1,789,285,634.79	1,856,059,915.42
690,770,673.26	51,392,963.82		163,501.63		742,000,135.45	2,139,668,846.92	2,222,785,391.53

2. Trade accounts receivable

The item does not include any receivables with a remaining term of more than one year.

3. Receivables from associates and participating interests

As of the reporting date, there are loan receivables in the amount of € 0.00 (previous year: € 2,287,931.47) with a remaining term of more than one year. All other trade receivables (€ 227,974,033.26; previous year: € 201,287,714.65) and additional loans to associates (€ 194,530,740.12; previous year: € 268,271,301.45) have a remaining term of up to one year.

The item "Receivables from associates and participating interests" exclusively comprises, as in the previous year, trade accounts receivable with a remaining term of up to one year (€ 151,679.63; previous year: € 175,613.70).

4. Other assets

The item in the amount of € 19,425,392.11 (previous year: € 10,785,662.96) includes tax receivables in the amount of € 2,712,555.26 (previous year: € 84,214.57). Other receivables from associates in the amount of € 8,656,596.02 (previous year: € 5,161,140.78) were recorded. Other assets include receivables with a term of more than one year in the amount of € 351,211.89 (previous year: € 234,141.26).

5. Accrued items

As of the reporting date, there are accrued receivables from accruals of interest-bearing transactions in the amount of € 1.2 million and deferred liabilities in the amount of € 14.4 million.

6. Prepaid expenses/deferred charges

Prepaid expenses/deferred charges include a discount in the amount of € 1,258,979.58 (previous year: € 1,920,800.15) as well as proportionate expenses for the next year in the amount of € 1,674,105.43 (previous year: € 1,501,334.13).

7. Deferred taxes

From 2010, deferred taxes are created for temporary differences between the commercial and tax valuation rates of assets, liabilities or prepaid expenses/deferred charges. The income tax rate (consisting of corporation tax, solidarity surcharge and trade tax) used for deferral of taxes amounts to 28.32%. In the case of deferred taxes, use is made of the option not to recognize the active excess resulting from the comparison of balance sheet items after offsetting the deferred tax assets and liabilities.

Deferred taxes are therefore also not included in tax expenses.

Deferred tax liabilities primarily result from differing valuation rates of tangible assets and financial assets. Deferred tax assets primarily result from differing valuation rates of intangible assets.

8. Equity

Share capital

Share capital remains unchanged over the previous year at € 162,090,344.00 and is divided into 62,342,440 registered shares, each with an arithmetical share in share capital of € 2.60 and was thereby unchanged from the previous year. Offsetting against treasury shares in the amount of € 219,208.60 results in a recognized share capital of € 161,871,135.40 as of December 31, 2017.

As of December 31, 2017, the Company had knowledge of the following notices on voting rights of at least 3%:

The Goldman Sachs Group Inc., Wilmington, Delaware, USA, reported, in accordance with Section 25a (1) WpHG¹⁾ in the version valid until November 25, 2015, a share in voting rights of 4.64% since June 2, 2015.

Société Générale Effekten GmbH, Frankfurt, Germany, reported, in accordance with Section 25 (1) of the WpHG¹⁾ in the version valid to November 25, 2015, a share in voting rights of 4.87% since October 2, 2015.

Société Générale S.A., Paris, France, reported, in accordance with Section 25 (1) WpHG²⁾ in the version valid from November 26, 2015, a share in voting rights of 3.70% since December 18, 2015.

BlackRock Inc., Wilmington, Delaware, USA, reported, in accordance with Sections 21, 22 of the German Securities Trading Act (WpHG)³⁾, a share in voting rights of 3.57% since May 25, 2017.

UBS Group AG, Zürich, Switzerland, reported, in accordance with Sections 21, 22 of the German Securities Trading Act (WpHG)³⁾, a share in voting rights of 3.26% since July 18, 2017.

Elliott International Limited, George Town (Grand Cayman), Cayman Islands, reported, in accordance with Sections 21, 22 of the German Securities Trading Act (WpHG)³⁾, a share in voting rights of 7.75% since August 18, 2017.

Paul E. Singer reported, in accordance with Sections 21, 22 of the German Securities Trading Act (WpHG)³⁾, a share in voting rights of 15.24% since August 25, 2017.

Bain Capital Investors, LLC, Wilmington, Delaware, USA, reported, in accordance with Sections 21, 22 of the German Securities Trading Act (WpHG)³⁾, a share in voting rights of 64.50% since August 25, 2017.

Cinven Capital Management (VI) General Partner Limited, Saint Peter Port (Guernsey), Cayman Islands, reported, in accordance with Sections 21, 22 of the German Securities Trading Act (WpHG)³⁾, a share in voting rights of 64.50% since August 25, 2017.

Die Bank of America Corporation, Wilmington, Delaware, USA, reported, in accordance with Sections 21, 22 of the German Securities Trading Act (WpHG)³⁾, a share in voting rights of 9.78% since August 28, 2017.

The Company had not received any further notices from the aforementioned companies by December 31, 2017.⁴⁾

Authorized capital

In accordance with the resolution of the Annual General Meeting of June 5, 2013, there is Authorized Capital in the amount of € 77,134,304.00. According to this resolution, the Executive Board, with approval of the Supervisory Board, is authorized until June 4, 2018 to increase the Company's share capital once or repeatedly by up to € 77,134,304.00 by issuing up to 29,667,040 registered shares⁵⁾ against cash or non-cash contributions.

Conditional Capital

The share capital is conditionally increased by up to € 69,188,340.00 by issuing up to 26,610,900 registered shares⁵⁾ and carrying a dividend right as of the beginning of the financial year in which they are issued. The Conditional Capital increase serves the purpose of granting shares to the holders or creditors of bonds with warrants and/or convertible bonds issued by the Company or a subordinated Group company on the basis of the authorization of the Annual General Meeting of June 5, 2013 (Conditional Capital 2013).

1) WpHG in the version valid until November 25, 2015.

2) WpHG in the version valid until July 1, 2016.

3) WpHG in the version valid until January 2, 2018.

4) The voting rights notices received by STADA can be viewed on the Company's website at www.stada.de or www.stada.com.

5) On August 26, 2016, the STADA Annual General Meeting resolved to eliminate restrictions on the transferability of registered shares by means of a change to the Articles of Incorporation. The change to the Articles of Incorporation was entered in the commercial register on December 9, 2016 and took effect on this date. Therefore, since that time, the authorization from approved capital pursuant to Section 6 (1) of the Articles of Incorporation relates to registered shares with no transferability restrictions.

Capital reserve

Capital reserve amounts to € 519,604,330.22 (previous year: € 519,579,535.61). The change compared to the previous year results from the gain on disposal of treasury shares in the context of an employee stock ownership program (€ 24,794.61).

Retained earnings

Other retained earnings in the amount of € 150,562,714.00 (previous year: € 150,551,551.00) primarily include allocations from net profit. The change compared to the previous year results from disposal of treasury shares in the context of an employee stock ownership program (€ 11,163.00).

Treasury shares

As of the reporting date, the Company held 84,311 treasury shares, each with an arithmetical par value of € 2.60. This is equivalent to a share capital of € 219,208.60 or 0.14% of share capital. As of December 31, 2016, the Company held 85,043 treasury shares.

In 2017, 732 shares were sold and no shares were purchased. The resulting gain in the amount of € 24,794.61 was added to the capital reserve. Treasury shares were exclusively issued to employees in the context of an employee stock ownership program. The proceeds from the sale of treasury shares flowed entirely to the operating business.

Treasury shares may be disposed of against a contribution in kind, in particular in connection with business combinations, the acquisition of business undertakings or the acquisition of participations in business undertakings.

Following the resolution adopted at the Annual General Meeting on June 5, 2013, in accordance with Section 71 (1) No. 8 AktG, the Company was authorized from June 6, 2013 until June 5, 2018 to acquire own shares of up to 10% of the share capital. The Executive Board has not made use of this authorization to date.

Disposal of treasury shares

Disposal date	Number	% of share capital	Arithmetical share in share capital (in €)	Disposal price (in €)	Disposal earnings (in €)
January	115	0.0%	299.00	5,602.44	3,549.69
February	294	0.0%	764.40	13,983.72	8,735.82
March	323	0.0%	839.80	18,274.65	12,509.10
Total	732	0.0%	1,903.20	37,860.81	24,794.61

9. Provisions

Pension provisions were calculated in accordance with actuarial principles based on the biometric accounting principles of the 2005 G mortality tables by Dr. Klaus Heubeck as well as based on an interest rate of 3.68% p.a. and a pension trend of 1.75% p.a.

As a result of the new regulations of the law for the implementation of the mortgage credit directive and to amend commercial regulations, pension obligations were discounted using the average market interest rate of the past ten years, as calculated and published by the German Central Bank. Until 2015, the average market interest rate of the past seven years, as published by the German Central Bank, was applied. The difference in the financial year totaled € 1,438 k in accordance with Section 253 (6) Sentence 1 HGB. This amount is undistributable.

Liabilities from pension commitments are partially secured by assets (reinsurance policy). Assets removed from the claims of other creditors were offset against the underlying liabilities.

The total settlement amount of pension commitments amounts to € 12,079 k. The fair value of the pledged reinsurance policy amounts to € 4,264 k. € 467 k was offset against income in the amount of € 140 k in the financial result in the reporting year.

Other provisions particularly include expenses for the personnel area (€ 23,705 k; previous year: € 16,275 k) and for outstanding accounts (€ 29,120 k; previous year: € 19,289 k).

10. Bonds

In 2013, a non-convertible bond with a nominal value of € 350 million was issued (term of five years). A second, also non-convertible bond with a nominal value of € 300 million was issued in 2015 (term of seven years). Because STADA Arzneimittel AG, as a result of the financing agreements, expects that a repayment of the bond could be carried out in the short term, all bonds were reclassified as current.

11. Liabilities to banks

Remaining maturities of financial liabilities due to banks in € million	up to 1 year (previous year)	1 to 5 years (previous year)	over 5 years (previous year)
Amounts due to banks	551.0 (89.0)	0.0 (628.5)	0.0 (61.5)

12. Trade and other payables

Remaining maturities of trade payables in € million	up to 1 year (previous year)	1 to 5 years (previous year)	over 5 years (previous year)
Payables to associates	432.5 (434.8)	0.0 (0.0)	0.0 (0.0)
Trade accounts payable	42.5 (31.5)	0.0 (0.0)	0.0 (0.0)
Other payables	18.6 (32.3)	0.0 (0.0)	0.0 (0.0)

Liabilities to associates include loan liabilities in the amount of € 251.2 million (previous year: € 273.4 million), the remaining liabilities result from trade accounts, as in the previous year.

Other liabilities to associates in the amount of € 282,353.41 (previous year: € 6,246,928.36) were recorded.

13. Income statement

Sales in 2017 of STADA Arzneimittel AG in the amount of € 446,944 k were recorded in accordance with the new definition of Section 277 (1) HGB of BilRUG and include an international share of € 207,475 k. Thereof, € 195,876 k was attributable to Europe, € 4,613 k to MENA, € 200 k to South America and € 6,786 k to Asia. Sales can be broken down into the following activities:

in € 000s	2017	2016
Sales from the delivery of goods	237,465	301,136
License revenue	32,642	29,274
Sale of approvals	0	0
Services	176,837	107,701
Total	446,944	438,111

Other operating income included income outside of the reporting period from reimbursements in the amount of € 238 k (previous year: € 94 k) as well as € 6,351 k (previous year: € 6,047 k) from the reversal of provisions.

In addition, other operating income from write-ups on intangible assets and financial assets in the amount of € 21,805 k (previous year: € 18,760 k) are recognized.

Unscheduled depreciation on intangible assets amounted to € 14,006 k in financial year 2017 (previous year: € 46,242 k). Unscheduled amortization of financial assets amounted to € 20,652 k in financial year 2017 (previous year: € 9,777 k).

Other operating expenses include expenses from outside of the reporting period for additional payments of € 333 k (previous year: € 77 k).

Of particular importance are consulting services, mainly within the scope of the takeover process in the amount of € 49,252 k.

14. Other notes and disclosures

In 2017, the average number of employees was 869, including

- 3 employees in warehousing and shipping,
- 277 employees in production and packaging,
- 589 employees in administration.

The appointment and dismissal of Executive Board members is subject to the provisions of Section 84 of the German Stock Corporation Act. The members of the Executive Board are or were:

- Dr. Claudio Albrecht, Chairman since September 27, 2017
- Mark Keatley, Chief Financial Officer since September 27, 2017
- Dr. Barthold Piening, Chief Technical Officer since April 1, 2017
- Engelbert Coster Tjeenk Willink (Chairman from July 4, 2017 until September 27, 2017)
- Dr. Bernhard Düttmann (Chief Financial Officer from July 4, 2017 until September 27, 2017)
- Dr. Matthias Wiedenfels (Chairman until July 4, 2017)
- Helmut Kraft (Chief Financial Marketing & Sales Officer until July 4, 2017)

The Executive Board members held the following mandates during financial year 2017:

Dr. Claudio Albrecht is simultaneously co-founder and Executive Partner of Albrecht, Prock & Partners AG, member of the Board of Directors of Orifarm Group A/S as well as at Oncobiologics, Inc.

Mark Keatley is simultaneously member of the Board of Directors of MS Pharma Limited, Medlab Ghana Limited as well as Novaxa Pharmaceuticals.

Engelbert Coster Tjeenk Willink was Chairman of the Supervisory Board at BiosanaPharma BV, Lipid Therapeutics GmbH, Allecra Therapeutics GmbH as well as non-executive member of the Board of Directors of JoyDew Foundation.

Dr. Bernhard Düttmann was member of the Supervisory Board of CECONOMY AG as well as member of the Supervisory Board of Alstria Office Reit AG.

Helmut Kraft was member of the Regional Advisory Board Central of Commerzbank AG, Member of the Supervisory Board of BIOCEUTICALS Arzneimittel AG (until July 4, 2017), Member of the Supervisory Board/Board of Directors of STADA Vietnam J.V. Co., Ltd. (until December 15, 2017), at Eurogenerics N.V. (until July 4, 2017) as well as Clonmel Healthcare Ltd. (until August 10, 2017).

Dr. Barthold Piening and Dr. Matthias Wiedenfels did not hold any supervisory or comparable mandates outside of STADA Arzneimittel AG.

15. Remuneration of the Executive Board and the Supervisory Board

In financial year 2017, total compensation paid to the Executive Board amounted to € 1,401 k for STADA Arzneimittel AG (previous year: € 7,734 k).

In financial year 2017, total compensation paid to the Supervisory Board amounted to € 1,089 k for STADA Arzneimittel AG (previous year: € 1,072 k).

Remuneration to former members of the Executive Board amounted to a total of € 7,127 k in financial year 2017.

Further disclosures pursuant to Section 285 No. 9a HGB can be found in the remuneration report.

Current pension provisions for former Executive Board members for financial year 2017 amounted to € 9,444 k before the netting with the actuarial reserve.

There were no loans granted to members of the Executive Board and Supervisory Board at STADA Arzneimittel AG as of the reporting date. Nor has STADA taken on any contingent liabilities for the benefit of the members of governing bodies of STADA Arzneimittel AG.

15. Information on the Company's Supervisory Board

Composition of the Supervisory Board and its committees

The members of the Supervisory Board during financial year 2017 were:

- Dr. Günter von Au, Vice President of the Administrative Board, Clariant AG (Switzerland), Munich (Chairman since September 26, 2017)
- Jens Steegers, Chairman of the Worker's Council released from duty, Frankfurt am Main (Deputy Chairman, Employee Representative)
- Dr. Eric Cornut, Independent Consultant, Binningen (Switzerland)
- Halil Duru, Deputy Chairman of the Worker's Council released from duty, Frankfurt am Main (Employee Representative)
- Dr. Ute Pantke, Director Special Brand Projects, Wettenberg (Employee Representative)
- Jan-Nicolas Garbe, Investment Manager at Cinven GmbH, Frankfurt am Main, member since September 26, 2017
- Benjamin Kunstler, Managing Director at Bain Capital Europe LLP, London (United Kingdom), member since September 26, 2017
- Bruno Schick, Managing Director at Cinven GmbH, Frankfurt am Main, member since September 26, 2017
- Dr. Michael Siefke, Managing Director at Bain Capital Private Equity Beteiligungsberatung GmbH, Gräfelfing, member since September 26, 2017
- Carl Ferdinand Oetker, Managing Partner of FO Holding GmbH, Bielefeld (Chairman until September 25, 2017, member until September 25, 2017)
- Rolf Hoffmann, Adjunct Professor at University of North Carolina Kenan-Flagler Business School (Chapel Hill, USA), Weggis (Switzerland), member until September 25, 2017
- Dr. Birgit Kudlek, Manager in the Pharma Industry, Bad Soden, member until September 25, 2017
- Tina Müller, Chief Marketing Officer Opel Group GmbH, Vice President, Chief Marketing Officer General Motors, Frankfurt am Main, member until September 25, 2017
- Dr. Gunnar Riemann, Independent Business Consultant in the Life Science Industry, Berlin, member until September 25, 2017

Halil Duru, Dr. Ute Pantke and Jens Steegers are Supervisory Board members who were elected by the employees as their representatives.

Mandates of Supervisory Board members

Dr. Günter von Au

- Membership in German supervisory boards that are to be constituted by law or in comparable German and foreign boards with controlling authority of commercial enterprises
 - Chairman of the Supervisory Board at Ceramtec Holding GmbH
 - Chairman of the Supervisory Board at Synlab International GmbH
 - Vice President of the Administrative Board at Clariant AG
 - Member of the Supervisory Board at Bayernwerk AG
 - Member of the Advisory Board at Röchling GmbH

Dr. Eric Cornut

- Membership in German supervisory boards that are to be constituted by law or in comparable German and foreign boards with controlling authority of commercial enterprises
 - Member of the Administrative Board at A. Menarini Industrie Farmaceutiche Riunite Srl
 - Member of the Administrative Board at Helsinn Healthcare AG

Dr. Michael Siefke

- Membership in German supervisory boards that are to be constituted by law or in comparable German and foreign boards with controlling authority of commercial enterprises
 - Chairman of the Supervisory Board at FTE Automotive GmbH
 - Chairman of the Advisory Board at Wittur Holding GmbH
 - Member of the Advisory Board at Pacific (BC) TopCo Limited (Holding of MSX International)

Carl Ferdinand Oetker

- Membership in German supervisory boards that are to be constituted by law or in comparable German and foreign boards with controlling authority of commercial enterprises
 - Cloverfield Inc. (Chairman of the Board of Directors, non-executive)
 - Erfurter Teigwaren GmbH (Member of the Advisory Board)
 - EWABO Chemikalien GmbH & Co. KG (Chairman of the Advisory Board until January 9, 2017)
 - Hela Gewürzwerk Hermann Laue GmbH (Member of the Advisory Board)

Rolf Hoffmann

- Membership in German supervisory boards that are to be constituted by law or in comparable German and foreign boards with controlling authority of commercial enterprises
 - Genmab A/S, Denmark (Board Observer in the Supervisory Board)
 - Biotest AG, Germany (member of the Supervisory Board since August 2017)

Dr. Birgit Kudlek

- Membership in German supervisory boards that are to be constituted by law or in comparable German and foreign boards with controlling authority of commercial enterprises
 - Heidelberg Pharma AG, formerly WILEX AG (member of the Supervisory Board)

Tina Müller

- Membership in German supervisory boards that are to be constituted by law or in comparable German and foreign boards with controlling authority of commercial enterprises
 - MLP AG (Member of the Supervisory Board)

Apart from their mandate at STADA Arzneimittel AG, the remaining members of the Supervisory Board do not hold any additional mandates in connection with memberships in supervisory boards that are to be constituted by law or in comparable German and foreign boards with controlling authority of commercial enterprises.

17. Information on the Company's Advisory Board

Composition of the Advisory Board

The members of the Advisory Board during financial year 2017 were:

- Dr. Thomas Meyer, Pharmacist, Seelze (Chairman)
- Dr. med. Frank-R. Leu, Doctor, Giessen (Deputy Chairman)
- Rika Aschenbrenner, Pharmacist, Mainburg
- Wolfgang Berger, Pharmacist, Giessen
- Gerd Berlin, Pharmacist, Hassloch
- Alfred Böhm, Pharmacist, Munich
- Jürgen Böhm, Doctor, Kirchhain
- Axel Boos, Pharmacist, Darmstadt
- Dr. Wolfgang Schlags, Pharmacist, Mayen
- Jürgen Schneider, Manager, Offenbach
- Reimar Michael von Kolczynski, Pharmacist, Stuttgart

18. Contingent liabilities pursuant to Section 251 of the German Commercial Code

At the reporting date, there were contingent liabilities pursuant to Section 251 of the German Commercial Code of € 67,870,743.39 (previous year: € 46,184,407.43). Of this, € 4,752,574.28 (previous year: € 18,150,481.98) relates to contingent liabilities from guarantees to associates.

Due to an ongoing evaluation of the risk situation and in view of the findings gathered until the reporting date, STADA Arzneimittel AG assumes that the liabilities underlying the contingent liabilities will be met. Utilization of contingent liabilities is considered to be unlikely.

19. Transactions not included in the balance sheet and other financial obligations

Remaining other financial liabilities from lease, rental and other service agreements amount to € 82,034,584.90. Maturities of remaining other financial liabilities:

in € million	
2018	18.9
2019	13.9
2020	13.4
2021	8.9
2022	7.8
After 2022	19.0

As of the reporting date, STADA Arzneimittel AG had transferred the majority of trade accounts receivable for the improvement of liquidity to an external third party. As the contract also transferred the risks of collectibility to the buyer (real factoring), there are no liabilities to be recognized by STADA Arzneimittel AG from this transfer.

There is an order obligation from liabilities for future expenses and investments in the amount of € 68.4 million.

20. List of equity interests of STADA Arzneimittel AG in accordance with Section 285 No. 11 of the German Commercial Code

The following list shows the earnings of the companies independent from the share in capital.

1) Direct investments of STADA Arzneimittel AG

	Earnings 2017	Equity	Equity interest in %
Germany¹⁾			
BEPHA Beteiligungsgesellschaft für Pharmawerte mbH, Bad Vilbel	EUR 0	kEUR 253	100%
BIOCEUTICALS Arzneimittel AG, Bad Vilbel	kEUR 21,243	kEUR 63,350	15.86%
Mobilat Produktions GmbH, Pfaffenhofen	EUR 0	kEUR 256	100%
Socialites Retail Germany GmbH, Bad Vilbel	EUR 0	kEUR 31	100%
STADA Aesthetics Deutschland GmbH, Bad Homburg	kEUR -317	kEUR 15	100%
International²⁾			
AO Nizhpharm, Nizhny Novgorod/Russia	kRUB 3,667,455	kRUB 16,952,541	100%
Ciclum Farma, Unipessoal, LDA, Paco de Arcos/Portugal	kEUR -115	kEUR 3,596	100%
Crinos S.p.A., Milan/Italy	kEUR 280	kEUR 25,696	96.77%
EG Labo – Laboratoires Eurogenerics SAS, Boulogne-Billancourt/France	kEUR -4,273	kEUR 34,988	100%
EG S.p.A., Milan/Italy	kEUR -1,794	kEUR 66,603	98.87%
Laboratorio STADA, S.L., Barcelona/Spain	kEUR 7,261	kEUR 58,817	100%
Laboratorio Vannier S.A., Buenos Aires/Argentina	kARS -13,970	kARS 31,686	85%
OOO Hemofarm, Obninsk/Russia	kRUB 409,213	kRUB 3,512,588	10%
OOO STADA Marketing, Nizhny Novgorod/Russia	kRUB 39,503	kRUB 5,892	10%
SCIOTEC Diagnostic Technologies GmbH, Tulln an der Donau/Austria ³⁾	kEUR 523	kEUR 9,966	100%
STADA Aesthetics Belgique BVBA, Brussels/Belgium ⁴⁾	-	-	100%
STADA Arzneimittel Gesellschaft m.b.H., Wien/Austria ³⁾	kEUR 940	kEUR 3,559	100%
STADA d.o.o., Ljubljana/Slovenia	kEUR 42	kEUR 509	100%
STADA d.o.o., Zagreb/Croatia	kHRK 652	kHRK 4,932	100%
STADA Egypt Ltd., Cairo/Egypt ⁴⁾	-	-	83.33%
STADA LUX S.à R.L., Luxembourg/Luxembourg	kEUR 0	kEUR 8	100%
STADA PHARMA Bulgaria EOOD, Sofia/Bulgaria	kBGN 400	kBGN 2,013	100%
STADA PHARMA CZ s.r.o., Prague/Czech Republic ³⁾	kCZK 34,213	kCZK 324,264	100%
STADA Pharma Services India Private Limited, Mumbai/India ³⁾	kINR 1,526	kINR 13,918	85%
STADA PHARMA Slovakia, s.r.o., Bratislava/Slovakia	kEUR 547	kEUR 3,404	100%
STADA Pharmaceuticals (Asia) Ltd., Hong Kong/People's Republic of China	kHKD 240,178	kHKD 408,956	100%
STADA Pharmaceuticals Australia Pty. Ltd., Sydney/Australia	kAUD 423	kAUD 1,860	100%
STADA Poland Sp. z o.o., Piaseczno/Poland	kPLN 1,395	kPLN 7,823	100%
STADA Service Holding B.V., Etten-Leur/The Netherlands	kEUR 1,162	kEUR 663,682	100%
STADA (Shanghai) Company Management Consulting Co. Ltd., Schanghai/People's Republic of China ³⁾	kCNY 7,791	kCNY 100,539	100%
STADA (Thailand) Company Ltd., Bangkok/Thailand	kTHB 19,280	kTHB 143,196	51%
STADA UK Holdings Ltd., Reading/United Kingdom	kEUR 36,501	kEUR 503,195	100%

1) There is a profit and loss transfer contract for German companies with a result of 0.
2) For foreign companies, equity is shown both in local currency and in accordance with local law.

3) Figures from financial year 2016.

4) Waiver of disclosures pursuant to Section 286 (3) Sentence 1 No. 1 of the German Commercial Code.

2) Indirect investments of STADA Arzneimittel AG

	Earnings 2017	Equity	Equity interest in %
Germany¹⁾			
ALIUD PHARMA GmbH, Laichingen	EUR 0	kEUR 52	100%
Blitz F15-487 GmbH, Bad Vilbel	EUR 0	kEUR 26	100%
Grippostad GmbH, Bad Vilbel	EUR 0	kEUR 25	100%
Hemopharm GmbH Pharmazeutisches Unternehmen, Bad Vilbel	kEUR 2,174	kEUR 2,891	100%
PharmaSwyzz Deutschland GmbH, Bad Homburg	kEUR -1	kEUR 12	100%
STADA CEE GmbH, Bad Vilbel	EUR 0	kEUR 223	100%
STADA GmbH, Bad Vilbel	EUR 0	kEUR 384	100%
STADA Medical GmbH, Bad Vilbel	EUR 0	kEUR 103	100%
STADAPHARM GmbH, Bad Vilbel	EUR 0	kEUR 382	100%
International²⁾			
AELIA SAS, Saint Brieu/France ³⁾	-	-	20%
Britannia Pharmaceuticals Ltd., Reading/United Kingdom	kGBP 14,162	kGBP 72,142	100%
Brituswip Limited (J.V.), Newbury/United Kingdom ³⁾	-	-	50%
BSMW Limited, Stockport/United Kingdom	kGBP 1,450	kGBP 3,337	100%
Centrafarm B.V., Etten-Leur/The Netherlands	kEUR 6,493	kEUR 18,395	100%
Centrafarm Nederland B.V., Etten-Leur/The Netherlands	kEUR -1,420	kEUR 24,156	100%
Centrafarm Services B.V., Etten-Leur/The Netherlands	kEUR -2,260	kEUR 7,864	100%
Clonmel Healthcare Limited, Clonmel/Ireland	kEUR 23,246	kEUR 14,679	100%
CNRD 2009 Ireland Ltd., Dublin/Ireland	kEUR -19	kEUR 70	50%
Crinos S.p.A., Milan/Italy	kEUR 280	kEUR 25,696	3.23%
Croma Medic, Inc., Manila/The Philippines	kPHP 14,370	kPHP 319,931	100%
Crosspharma Ltd., Belfast/United Kingdom	kEUR 145	kEUR 2,110	100%
Dak Nong Pharmaceutical JSC, Dak Nong/Vietnam ⁴⁾	kVND 626,599	kVND 6,161,207	43%
DIALOGFARMA LLC, Moscow/Russia ³⁾	-	-	50%
EG S.p.A., Milan/Italy	kEUR -1,794	kEUR 66,603	1.13%
Fresh Vape Electronic Cigarettes Limited, Chesterfield/United Kingdom	kGBP 0	kGBP 5	100%
Genus Pharmaceuticals Holdings Ltd., Huddersfield/United Kingdom	kGBP 13,379	kGBP 12,472	100%
Genus Pharmaceuticals Ltd., Huddersfield/United Kingdom	kGBP 0	kGBP 34,399	100%
Healthypharm B.V., Etten-Leur/The Netherlands	kEUR 1,070	kEUR 4,451	100%
Hemofarm A.D., Vrsac/Serbia ⁴⁾	kRSD 3,620,713	kRSD 28,291,735	100%
Hemofarm Banja Luka d.o.o., Banja Luka/Bosnia-Herzegovina ⁴⁾	kBAM 6,171	kBAM 58,374	91.5%
Hemofarm Komerc d.o.o., Skopje/Macedonia ³⁾	-	-	99.18%
Hemofarm S.a.r.l., Constantine/Algeria ³⁾	-	-	40%
Hemomont d.o.o., Podgorica/Montenegro ⁴⁾	kRSD 28	kRSD 16,570	71.02%
Internis Pharmaceuticals Limited, Huddersfield/United Kingdom	kGBP 5,126	kGBP 16,492	100%
Jinan Hemofarm Pharmaceuticals, Jinan/People's Republic of China ³⁾	-	-	35.5%
Laboratorio Vannier S.A., Buenos Aires/Argentina	kARS -13,970	kARS 31,686	15%
LAS Trading Limited, Chesterfield/United Kingdom	kGBP 0	kGBP 1	100%
LCM Limited, Huddersfield/United Kingdom	kGBP 0	kGBP 0	100%
Lowry Solutions Limited, Huddersfield/United Kingdom	kEUR 40	kGBP -6	100%
Natures Aid Limited, Preston/United Kingdom	kGBP 1,885	kGBP 7,700	100%
Nizhpharm-Kazakhstan TOO DO, Almaty/Kazakhstan	kKZT -2,074,523	kKZT 2,320,082	100%

1) There is a profit and loss transfer contract for German companies with a result of 0, with the exception of Blitz F15-487 GmbH and Grippostad GmbH.

2) For foreign companies, equity is shown both in local currency and in accordance with local law.

3) Waiver of disclosures pursuant to Section 286 (3) Sentence 1 No. 1 of the German Commercial Code.

4) Figures from financial year 2016.

	Earnings 2017	Equity	Equity interest in %
International¹⁾			
OOO Aqualor, Moscow/Russia	kRUB 34	kRUB 196	100%
OOO Hemofarm, Obninsk/Russia	kRUB 409,213	kRUB 3,512,588	90%
OOO STADA Marketing, Nizhny Novgorod/Russia	kRUB 39,503	kRUB 5,892	90%
Pegach AG, Egerkingen/Switzerland	kCHF -6	kCHF 349	100%
Pharm Ortho Pedic SAS, Trélazé/France ²⁾	-	-	25%
Phu Yen Export Import Pharmaceuticals JSC, Phu Yen/Vietnam ³⁾	kVND 1,399,556	kVND 97,194,137	20%
Pymepharco Joint Stock Company, Tuy Hoa/Vietnam	kVND 286,719,810	kVND 1,619,306,120	59%
Quang Tri Pharmaceutical JSC, Quang Tri Province/Vietnam ³⁾	kVND 197,696	kVND 4,055,479	37.44%
Quatropharma Holding B.V., Etten-Leur/The Netherlands	kEUR 0	kEUR 329	100%
S.A. Eurogenerics N.V., Brussels/Belgium	kEUR 9,771	kEUR 93,273	100%
Slam Trading Limited, Chesterfield/United Kingdom	kGBP -1,313	kGBP -118	100%
Socialites E-Commerce Limited, Huddersfield/United Kingdom	kGBP 0	kGBP 125	100%
Socialites Nederland BV, Beuningen/The Netherlands ²⁾	-	-	100%
Socialites Retail Limited, Chesterfield/United Kingdom	kGBP 0	kGBP -498	100%
Spirig HealthCare AG, Egerkingen/Switzerland	kCHF 198	kCHF 5,995	100%
STADA Aesthetics AG, Bottighofen/Switzerland ²⁾	-	-	100%
STADA Aesthetics Italia S.R.L, Verona/Italy ²⁾	-	-	100%
STADA Aesthetics UK Limited, Kent/United Kingdom ²⁾	-	-	100%
STADA Egypt Ltd., Cairo/Egypt ²⁾	-	-	16.67%
STADA Financial Investments Limited, Clonmel/Ireland	kEUR 1,153	kEUR 92,565	100%
STADA Genéricos, S.L., Barcelona/Spain	kEUR 0	kEUR 2	100%
STADA Hemofarm SRL, Temeswar/Romania ³⁾	kRON 456	kRON 15,302	100%
STADA IT Solutions d.o.o., Belgrade/Serbia ³⁾	kRSD 22,451	kRSD 64,945	100%
STADA, LDA, Paco de Arcos/Portugal	kEUR -16	kEUR -40	100%
STADA M&D S.R.L., Bucharest/Romania	kRON -1,334	kRON 4,893	100%
STADA MENA DWC-LLC, Dubai/United Arab Emirates	kAED -11,946	kAED 29,222	100%
STADA Nordic ApS, Herlev/Denmark ³⁾	kDKK 174	kDKK 89,732	100%
STADA Pharma Services India Private Limited, Mumbai/India ³⁾	kiNR 1,526	kiNR 13,918	15%
STADA Pharmaceuticals (Beijing) Ltd., Beijing/People's Republic of China	kCNY 7,829	kCNY 69,765	83.351%
STADA (Thailand) Company Ltd., Bangkok/Thailand	kTHB 19,280	kTHB 143,198	49%
STADA Ukraine, Kiev/Ukraine	kUAH 32,282	kUAH -131,081	100%
STADA Vietnam J.V. Co., Ltd., Ho Chi Minh City/Vietnam	kVND 338,837,543	kVND 1,315,096,016	50%
Sundrops Limited, Huddersfield/United Kingdom	kGBP 0	kGBP 3,427	100%
Thornton & Ross Ireland Limited, Clonmel/Ireland	kEUR 0	kEUR 0	100%
Thornton & Ross Limited, Huddersfield/United Kingdom	kGBP 16,983	kGBP 62,707	100%
UAB STADA-Nizhpharm-Baltiya, Vilnius/Lithuania	kEUR 87	kEUR 1,314	100%
Velefarm A.D., Belgrade/Serbia ²⁾	-	-	19.65%
Velefarm d.o.o., Belgrade/ Serbia ³⁾	kRSD 6,631	kRSD 35,583	100%
Vetfarm A.D., Belgrade/Serbia ³⁾	-	-	15%
Well Light Investment Services JSC, Ho Chi Minh City/Vietnam	kVND -228,285	kVND 134,159,561	49%
ZAO Makiz-Pharma, Moscow/Russia	kRUB -20,490	kRUB 1,042,705	100%
ZAO Skopinpharm, Ryazanskaya obl./Russia	kRUB -11,615	kRUB 319,331	100%
Zeroderma Limited, Huddersfield/United Kingdom	kGBP 0	kGBP 3,385	100%

1) For foreign companies, equity is shown both in local currency and in accordance with local law.

2) Waiver of disclosures pursuant to Section 286 (3) Sentence 1 No. 1 of the German Commercial Code.

3) Figures from financial year 2015.

21. Conversion rates

The exchange rates underlying the currency translation of currencies outside of the euro zone that are important for STADA Arzneimittel AG developed as follows:

in €	Average rate		Closing rate	
	2017	2016	Dec. 31, 2017	Dec. 31, 2016
1 Emirati dirham (AED)	0.23005	0.24616	0.22705	0.25842
1 Argentine peso (ARS)	0.04796	0.06122	0.04361	0.05971
1 Bosnian mark (BAM)	0.51129	0.51130	0.51129	0.51130
1 Swiss franc (CHF)	0.85548	0.91728	0.85455	0.93119
1 Chinese yuan (CNY)	0.12808	0.13606	0.12813	0.13661
1 Czech koruna (CZK)	0.03899	0.03699	0.03916	0.03701
1 Danish crown (DKK)	0.13435	0.13431	0.13432	0.13451
1 Pound sterling (GBP)	1.13295	1.22121	1.12710	1.16795
1 Hong Kong dollar (HKD)	0.10813	0.11641	0.10670	0.12232
1 Croatian kuna (HRK)	0.13264	0.13272	0.13441	0.13228
1 Indian rupee (INR)	0.01360	0.01345	0.01305	0.01397
1 Kazakhstani tenge (KZT)	0.00253	0.00264	0.00251	0.00284
1 Philippine peso (PHP)	0.01678	0.01903	0.01672	0.01913
1 Polish zloty (PLN)	0.23791	0.22916	0.23941	0.22674
1 Romanian leu (RON)	0.21576	0.22268	0.21466	0.22031
1 Serbian dinar (RSD)	0.00839	0.00812	0.00844	0.00810
1 Russian ruble (RUB)	0.01441	0.01347	0.01441	0.01555
1 Thai baht (THB)	0.02588	0.02561	0.02556	0.02651
1 Ukrainian hryvnia (UAH)	0.03073	0.03536	0.02965	0.03518
1 US dollar (USD)	0.84487	0.90367	0.83382	0.94868
1 Vietnamese dong (VND)	0.00004	0.00004	0.00004	0.00004

22. External auditor fees

Total fees charged by the external auditors for the financial year pursuant to Section 285 No. 17 of the German Commercial Code are disclosed in the relevant Note to the Consolidated Financial Statements.

23. German Corporate Governance Code

In accordance with Section 161 of the German Stock Corporation Act, the Executive and Supervisory Boards have issued their annual joint declaration of compliance with the German Corporate Governance Code. Shareholders are provided with permanent access to this declaration on the Company's website www.stada.de (German website) and www.stada.com (English website). The Company also publishes the declaration in its Annual Report.

24. Financial Instruments

Derivative financial instruments

Risks from interest rate and currency-related fluctuations in cash flow are countered with derivative financial instruments that are exclusively used to hedge interest and currency risks resulting from operating activities, financial transactions and investments. Derivative financial instruments are neither held nor issued for speculation purposes.

Derivatives are used to offset changes in fair values and/or interest payment cash flows from the underlying hedged items (receivables from associates, interest liabilities and a future investment).

STADA concludes currency forwards and currency options in order to limit currency risks. In 2017, exchange-rate hedging was primarily undertaken for the Russian ruble, the US dollar and the British pound sterling. As of the reporting date, the currency forwards were either hedged with loans or liabilities to associates or loans were allocated to associates without hedging.

In order to hedge cash flows from loans to associates (currency risk), STADA concluded currency swaps.

The valuation of interest rate hedge transactions results from the present value of the discounted cash flows, i.e. fixed interest rates against variable interest rates.

Hedged items:

Hedged item	Market values	
	Hedged risk	Secured amount of the hedged item (carrying amount) in € million
Assets	Interest rate change/currency risk	0.0
	Currency risk	39.9
Liabilities	Interest rate risk	0.0
	Currency risk	0.0
		39.9

The market values of the derivative financial instruments were as follows:

in € million	2017	2016
Currency forwards	-0.6	-8.5
Interest rate swaps	0.0	0.0
Interest rate/currency swaps	0.0	6.5
	-0.6	-2.0

All hedges are micro-hedges.

All hedges are expected to be highly effective as the important features are nearly identical (critical terms match).

Hedged risks – pending loss provisions not created, write-ups on liabilities in foreign currencies and write-downs of receivables in foreign currencies:

in € million	2017
Interest rate/currency risk	0.0
Currency risk	-0.3
Total hedged balance sheet risk	-0.3

The effectiveness of hedges is evaluated on the reporting date according to the critical terms match method.

In the future, the risks being hedged will likely be offset, because the hedged items and hedging transactions are subject to the same risk, which is influenced by identical factors in the same way and because the hedging transactions do not exhibit any other risks than the hedged items. Settlement shall be completed to the greatest extent by December 31, 2018.

25. Resolution on the distribution of profits

Appropriation of profits of financial year 2017

Pending approval of the Supervisory Board, the Executive Board of STADA Arzneimittel AG, Bad Vilbel, Germany, made the following unanimous resolution via written circulation:

The Executive Board and the Supervisory Board will recommend to the Annual General Meeting of STADA Arzneimittel AG of June 06, 2018 the following appropriation of profits for financial year 2017:

in €	
Dividend distribution of € 0.11 per share entitled to a dividend (with 62,258,129 shares entitled to a dividend)	6,848,394.19
Balance carried forward to new account	54,420,096.86
Distributable profit	61,268,491.05

From the adjustment to the underlying market interest rate in 2015 for pension obligations, an amount of € 1,438 k is undistributable.

26. Scope of consolidation

STADA Arzneimittel AG, Bad Vilbel, as parent company prepares the Consolidated Financial Statements pursuant to IFRS requirements (smallest scope of consolidation), which are available at the following internet address: www.stada.de.

The Company is also included in the consolidated financial statements of Nidda German TopCo GmbH, Frankfurt am Main (largest scope of consolidation). These financial statements are published in the Federal Gazette.

27. Report on post-balance sheet date events

This report on post-reporting date events includes events that occurred between the end of financial year 2017 and the date of the signing of the financial statements for 2017 and which have a significant, or possibly significant effect on the net assets, financial position and results of operations of the STADA Arzneimittel AG.

These were as follows:

- The Extraordinary General Meeting of STADA Arzneimittel AG on February 2, 2018 with a majority of 99% approved the conclusion of the domination and profit and loss transfer agreement of December 19, 2017 between Nidda Healthcare GmbH as controlling entity and STADA as dependent company. The domination and profit and loss transfer agreement provides for an annual compensation payment for the remaining STADA shareholders of € 3.82 gross or currently € 3.53 net as well as a settlement in the amount of € 74.40 per STADA share. The agreement must be entered into the Commercial Register before it takes effect.
- As a result of the takeover carried out in 2017, the creditors of STADA Arzneimittel AG are entitled, pursuant to the financing conditions, to prematurely terminate bonds, promissory note loans and bank loans. In this connection, a partial amount totaling € 360.2 million was called due prematurely during the first quarter of 2018. For the refinancing of these transactions, STADA received a loan from Nidda Nidda Healthcare Holding GmbH in the amount of € 347.0 million and used own cash. There was also a repayment of promissory notes in the amount of € 9.5 million from own cash.
- The Supervisory Board of STADA Arzneimittel AG appointed Peter Goldschmidt as new Chairman of the Executive Board with effect from September 1, 2018. He succeeds Dr. Claudio Albrecht who has held the position of Chairman of the Executive Board since September 27, 2017.

Bad Vilbel, March 8, 2018

STADA Arzneimittel Aktiengesellschaft
The Executive Board

Dr. Claudio Albrecht
Chairman of the Executive Board

Mark Keatley
Chief Financial Officer

Dr. Barthold Piening
Chief Technical Officer

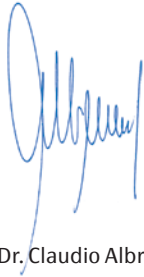
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Responsibility Statement

To the best of our knowledge and in accordance with the applicable reporting principles for Annual Financial Statements reporting, the Annual Financial Statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Combined Management Report includes a fair review of the course of business and business performance and the net assets, financial position and results of operations of the Group, together with a description of the principal opportunities and risks associated with the Group's expected development.

Bad Vilbel, March 8, 2018



Dr. Claudio Albrecht
Chairman of the Executive Board



Mark Keatley
Chief Financial Officer



Dr. Barthold Piening
Chief Technical Officer

Independent Auditor's Report

To STADA Arzneimittel AG, Bad Vilbel

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of STADA Arzneimittel AG, Bad Vilbel, which comprise the balance sheet as at December 31, 2017, and the statement of profit and loss for the financial year from January 1 to December 31, 2017, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of STADA Arzneimittel AG, which is combined with the group management report, for the financial year from January 1 to December 31, 2017. We have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report in accordance with the German legal requirements.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2017 and of its financial performance for the financial year from January 1 to December 31, 2017 in compliance with German Legally Required Accounting Principles,

and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2017. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

1. Measurement of shares in affiliated companies
2. Measurement of drug approvals and brands

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

Hereinafter we present the key audit matters:

1. Measurement of shares in affiliated companies

1. Shares in affiliated companies amounting to € 1,275 million (47.0% of total assets) are reported under the "Financial assets" balance sheet item in the Company's annual financial statements.

Shares in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The fair values of the material shares in affiliated companies are calculated using discounted cash flow models as the present values of the expected future cash flows according to the planning projections prepared by the executive directors. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the individually determined cost of capital for the relevant financial asset. On the basis of the values determined and supplementary documentation, write-downs amounting in total to € 20.7 million and reversals of write-downs amounting to € 12.9 million were required for the fiscal year.

The outcome of this valuation exercise is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the respective discount rates and rates of growth employed. The valuation is therefore subject to material uncertainty. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's assets, liabilities, and financial performance, this matter was of particular significance in the context of our audit.

2. As part of our audit, we reviewed the methodology employed for the purposes of the valuation exercise, among other things. In particular, we assessed whether the fair values had been appropriately determined using discounted cash flow models in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key value drivers underlying the expected cash flows. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated using this method, we focused our testing in particular on the parameters used to determine the discount rate applied, and verified the calculation procedure.

Taking into consideration the information available, we believe that the measurement inputs and underlying assumptions used by the executive directors are appropriate overall for the purpose of accurately measuring shares in affiliated companies.

3. The Company's disclosures on financial assets are contained in the sections entitled "Accounting policies" and "1. Fixed assets" in the notes to the financial statements.

2. Measurement of drug approvals and brands

1. Drug approvals and brands acquired against payment and currently in use totaling € 194.3 million (7.2% of total assets) are reported under "Intangible assets" balance sheet item in the Company's annual financial statements. Of this figure, € 92.9 million is attributable to drug approvals and € 101.4 million to brands.

Drug approvals and brands are measured in accordance with German commercial law at the lower of amortized cost and fair value. A write-down must be recognized in the case of likely permanent impairment. In the judgment of the executive directors, impairment is assumed likely to be permanent if it is expected to last for more than half of the remaining useful life of the asset or for more than five years. If the reasons for the impairment cease to apply, the write-down must be reversed.

To determine any possible need for write-downs or reversals of write-downs, the carrying amounts of drug approvals are tested for impairment annually, and the carrying amounts of brands are tested for impairment if there are indications that impairment is likely or that the reasons for impairment no longer apply. Fair value is generally determined on the basis of the present value of expected future cash flows from the respective drug approval or brand, which is calculated using discounted cash flow models. For this purpose, the budget projections prepared by the executive directors form the starting point for future projections based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate applied is the risk-adjusted cost of capital for the drug approvals and brands. Write-downs totaling € 2.9 million and reversals of write-downs totaling € 4.5 million were recognized on the carrying amounts of drug approvals. Write-downs totaling € 8.3 million and reversals of write-downs totaling € 4.4 million were recognized on the carrying amounts of brands.

The outcome of this valuation exercise is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective intangible asset, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

2. As part of our audit, we reviewed and assessed the methodology employed for the purposes of the valuation exercise, among other things. After comparing the future cash inflows used in the calculation with the budget projections prepared by the executive directors and taking into consideration the relevant measurement standards, we assessed the appropriateness of the calculation of fair values, in particular by means of a reconciliation with general and sector-specific market expectations. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the intangible asset values calculated in this way, we also focused our testing in particular on the parameters used to determine the discount rate applied, and evaluated the measurement model. We reproduced the sensitivity analyses performed by the Company, in order to reflect the uncertainty inherent in the projections. We also assessed whether the impairment identified is likely to be permanent.

Taking into consideration the information available, we believe that the measurement inputs and underlying assumptions used by the executive directors are appropriate overall for the purpose of accurately measuring the intangible assets acquired against payment, as recognized under fixed assets.

3. The Company's disclosures on the "Intangible assets" balance sheet item are contained in the sections entitled "Accounting policies" and "1. Fixed assets" in the notes to the financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section corporate governance report of the management report
- the corporate governance report pursuant to No. 3.10 of the German Corporate Governance Code
- the separate non-financial report pursuant to § 289b Abs. 3 HGB and § 315b Abs. 3 HGB

The other information comprises further the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on August 30, 2017. We were engaged by the supervisory board on September 14, 2017. We have been the auditor of the STADA Arzneimittel AG, Bad Vilbel, without interruption since the financial year 2017.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr. Bernd Roesse.

Frankfurt am Main, March 8, 2018

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft



[sgd. Dr. Bernd Roesse]
Wirtschaftsprüfer
(German Public Auditor)



[sgd. ppa. Olav Krützfeldt]
Wirtschaftsprüfer
(German Public Auditor)

Publishing Information

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Contact	STADA Arzneimittel AG Investor Relations Phone: +49 (0) 61 01/6 03-1 13 Fax: +49 (0) 61 01/6 03-2 15 E-Mail: ir@stada.de
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Forward-looking statements

These STADA Arzneimittel AG (hereinafter "STADA") Annual Financial Statements as of December 31, 2017 contain certain statements regarding future events that are based on the current expectations, estimates and forecasts on the part of the company management of STADA as well as other currently available information. They imply various known and unknown risks and uncertainties, which may result in actual earnings, the net assets, financial position and results of operations, growth or performance being 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 may, where appropriate, also make forward-looking statements in other reports, in presentations, in material delivered to shareholders, in investor news and in press releases. Furthermore, our representatives may from time to time make forward-looking statements verbally. 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 results of clinical studies; 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 does not assume any obligation to update these forward-looking statements.

Rounding

In the general portion of these Annual Financial Statements as of December 31, 2017, STADA key figures are, as a rule, rounded to millions of euro, while the Notes present these figures, as a rule, with greater accuracy in thousands of euro. Due to rounding of these figures, differences may arise in individual figures between the general portion and the Notes, as well as from figures actually achieved in euro; these differences cannot be considered material.

