Interim Report
on the First Three Months of 2009

STADA
Arzneimittel

STADA KEY FIGURES

Key figures for the Group in € million	1/1-3/31/2009	1/1-3/31/2008	± %
Group sales	375.9	399.0	-6%
• Generics (core segment)	269.5	269.4	0%
• Branded Products (core segment)	92.0	88.6	4%
• Commercial Business	11.9	11.7	2%
• Group holdings/other	2.6	29.3	-91%
Operating profit	48.6	56.6	-14%
Operating profit, adjusted[2)]	*50.3*	*58.9*	*-15%*
EBITDA (Earnings before interest, taxes, depreciation and amortization)	67.5	76.5[1)]	-12%
EBITDA (Earnings before interest, taxes, depreciation and amortization), adjusted[2)]	*67.6*	*75.8[1)]*	*-11%*
EBIT (Earnings before interest and taxes)	48.2	56.7[1)]	-15%
EBIT (Earnings before interest and taxes), adjusted[2)]	*49.9*	*57.9[1)]*	*-14%*
EBT (Earnings before taxes)	32.2	42.8[1)]	-25%
EBT (Earnings before taxes), adjusted[2)]	*38.0*	*46.0[1)]*	*-17%*
Net income[3)]	24.1	30.3[1)]	-20%
Net income[3)], adjusted[2)]	*28.3*	*32.3[1)]*	*-13%*
Cash flow (gross)	44.1	51.4	-14%
Equity capital (Mar. 31)	824.7	930.2[1)]	-11%
Capital expenditure	27.9	20.5	36%
Depreciation/amortization	19.3	19.8	-2%
Average number of employees (Jan. 1 – Mar. 31)	8,141	8,304	-2%

Key share figures	1/1-3/31/2009	1/1-3/31/2008	± %
Market capitalization in € million (as of Mar. 31)	723.9	2,701.8	-73%
Closing price (XETRA®) in € (as of Mar. 31)	12.32	46.01	-73%
Average number of shares not including own shares (Jan. 1 – Mar. 31)	58,652,785	58,607,901	0%
Basic earnings per share in €[4)]	0.41	0.52[1)]	-21%
Basic earnings per share in €[4)], adjusted[2)]	*0.48*	*0.55[1)]*	*-13%*
Diluted earnings per share in €[5)]	0.41	0.50[1)]	-18%
Diluted earnings per share in €[5)], adjusted[2)]	*0.48*	*0.53[1)]*	*-9%*

1) Adjusted in accordance with IAS 8 (see "Appendix 1.2.").
2) Adjusted for one-time special effects as well as effects from currency influences and interest rate hedge transactions in the first quarter of 2008 and the first quarter of 2009.
3) Unless otherwise stated, "net income" in this interim report refers to income attributable to the shareholders' stake in STADA Arzneimittel AG, which under IFRS also represents the basis for calculating earnings per share and diluted earnings per share.
4) In accordance with IAS 33.10.
5) In accordance with IAS 33.31.

MANAGEMENT REPORT

Overview

As expected, STADA recorded a sales and earnings decrease in the first quarter of 2009 as compared to the corresponding period in the previous year under the particularly difficult framework conditions of the global financial and economic crisis. With sales of € 375.9 million and adjusted EBITDA of € 67.6 million, the quarterly result for each, however, was in the upper area of the current planning corridor. Thus, from today's perspective of the Executive Board, the minimum goal of adjusted EBITDA of € 250 million in the STADA Group for fiscal year 2009 should, as before, be achievable. In addition, the Executive Board continues to see the opportunity, regardless of the expected sales and earnings decrease in the first half of 2009, that STADA, with the expected revival of business in the second half year, can overall still achieve and even exceed the sales and earnings level from the previous year in fiscal year 2009.

Sales and earnings development of the STADA Group

Group sales decreased, as expected, by 6% to € 375.9 million (1-3/2008: € 399.0 million) in the reporting period.

The sale of low-margin non-core activities in the United Kingdom in the third quarter of 2008[1)], the disposal of branded products in Italy[2)] as well as the discontinuation of commercial activities in the Netherlands[3)] contributed to this sales development, among other things. These disposals, sold or discontinued business activities, had accounted for a sales contribution of a total of € 24.5 million for the Group in the corresponding quarter of the previous year.

By contrast, the low number of additions of launched products[4)] and acquired companies[5)] within the past 12 months in the context of the current cautious acquisition policy achieved sales contributions totaling € 2.3 million in the first quarter of 2009.

Offsetting these effects from acquisitions, disposals as well as sale and discontinuation of business activities led to weakened sales development in the first quarter of 2009 by 6 percentage points.

In addition, as compared to the first quarter of 2008, the sales development in the first quarter of 2009 was influenced by currency effects since the currency relations of significant foreign currencies for STADA, particularly Russian ruble, Serbian dinar and Pound sterling with the euro were clearly more unfavorable in the reporting quarter than in the corresponding quarter of the previous year. Applying the same exchange rates to the two periods being compared results in a burden on growth for the first quarter of 2009 due to negative translation effects in the amount of 4 percentage points.

1) Forum Products (division of the British Forum Bioscience group), deconsolidated since August 31, 2008, sales contribution first quarter of 2008: € 23.0 million.
2) Defibrotide products, sales contribution first quarter of 2008: € 0.9 million.
3) Sales contribution first quarter of 2008: € 0.6 millon.
4) Acquisition of the Italian branded products Keritrina® as of November 14, 2008 and Keraflox® as of December 17, 2008. Sales contribution first quarter of 2009: € 2.1 million.
5) Acquisition of the Danish Dermalog on January 26, 2009 and subsequently initiated merger with the Danish STADA subsidiary PharmaCoDane; sales contribution first quarter of 2009: € 0.2 million.

In total, effects from acquisitions and disposals, sale and discontinuation of business activities as well as currency effects thereby reduced Group sales as compared to the previous year by 10 percentage points; these effects have been subtracted from the adjusted sales figures disclosed in the following.

Group sales adjusted in the first quarter of 2009 grew by 4% as compared to the corresponding quarter in the previous year. This shows that the demand basis for Group products continued to grow regardless of the financial and economic crisis. Despite the expected sales decrease in the first half year the Executive Board thus continues to see the opportunity that with the expected revival of business in the second half year the sales level from the previous year can still be achieved and even exceeded in fiscal year 2009 overall in the Group.

The sales development in significant national markets is addressed in greater detail in the context of the reporting on regional developments (see "Regional development in the STADA Group").

The **development of earnings** also continued to be characterized by difficult framework conditions and unfavorable exchange rate developments in individual national markets in the first three months of the current fiscal year (see "Regional development in the STADA Group").

Moreover, the key earnings figures of the first quarter of 2009 were influenced both by one-time special effects and non-operational effects from currency influences and interest rate hedge transactions.

One-time special effects resulted in a minor net relief on earnings in the amount of € 0.2 million before or € 0.02 million after taxes in the reporting period of the first quarter of 2009 and were composed of the following:

- a burden in the amount of € 1.2 million before or € 0.8 million after taxes for unscheduled amortization on intangible assets after impairment tests.
- a burden in the amount of € 2.0 million before or € 1.5 million after taxes for the merger of locations in the United Kingdom.
- a burden in the amount of € 1.0 million before or € 0.7 million after taxes due to value adjustments on receivables from Russian wholesalers.
- a relief in the amount of € 3.5 million before or € 2.3 million after taxes from the reversal of provisions not made use of as a consequence of the negative patent decision for STADA in Germany in connection with the active pharmaceutical ingredient Olanzapine[1].
- a relief due to a successful sale in the amount of € 0.9 million before or € 0.7 million after taxes in connection with a commission business by Britannia Pharmaceuticals.

The one-time special effects in the first three months of 2008 had also been very low and had resulted at the time in a net burden in the amount of € 0.4 million before or a relief of € 0.01 million after taxes.

In addition, **non-operational earnings-influencing effects from currency influences and interest rate hedge transactions** also influenced the earnings development in the first quarter of 2009. In the reporting quarter these added up to a total burden of € 6.1 million before or € 4.2 million after taxes and included in detail:

1) The total amount of provisions was € 14.2 million as of December 31, 2008.

- Burden on earnings due to currency effects in the form of net currency translation expenses of a Russian subsidiary in connection with existing loans from an earlier acquisition financing in the amount of € 1.9 million before or € 1.4 million after taxes (reported under other operating expenses).
- Burden on earnings from the evaluation of an interest rate hedge transaction of a Russian subsidiary concluded in the fourth quarter of 2008 to stabilize interest rates of existing loans from a previous acquisition financing in the amount of € 1.1 million before or € 0.8 million after taxes; as is known, when the transaction was concluded at the time the variable interest rate of an existing ruble loan was swapped against a fixed interest rate and a conditioned compensation payment the realization and amount of which depends on the ruble/euro currency relation at the end of the term of the interest rate hedge transaction in the year 2010.
- Burden on earnings from the evaluation of further interest rate hedge transactions in the Group in the amount of € 3.1 million before or € 2.0 million after taxes.

The non-operational earnings-influencing effects from currency influences and interest rate hedge transactions in the first three months of 2008 had resulted at the time in a net burden in the amount of € 2.8 million before or € 2.0 million after taxes.

In addition to the key earnings figures reported in the scope of the quarterly financial statements of the first quarter of 2009, of the corresponding quarter from the previous year[1)] and of the resulting change rates, the adjusted key earnings figures[2)] are also reported in the following, for which the above-mentioned one-time special effects as well as non-operational earnings-influencing effects from currency influences and interest rate hedge transactions have been deducted.

Net income decreased by 20% to € 24.1 million in the reporting quarter (1-3/2008: € 30.3 million), **adjusted net income** by 13% to € 28.3 million (1-3/2008: € 32.3 million).

Earnings per share in the first three months of the current fiscal year amounted to € 0.41 (1-3/2008: € 0.52), **adjusted earnings per share** were € 0.48 (1-3/2008: € 0.55). Here, due to the exercise of options since then, an increase in the average number of STADA shares of 0.1% in the first quarter of 2009 as compared to the corresponding period in the previous year must be taken into consideration. **Diluted earnings per share**[3)] amounted to € 0.41 in the reporting period (1-3/2008: € 0.50), **adjusted diluted earnings per share** were € 0.48 (1-3/2008: € 0.53).

The other earnings figures recorded the following decreases in the first quarter of 2009 as compared to the quarter of the previous year: **operating profit** by 14% to € 48.6 million (1-3/2008: € 56.6 million), **adjusted operating profit** by 15% to € 50.3 million (1-3/2008: € 58.9 million), e**arnings before taxes (EBT)** by 25% to € 32.2 million (1-3/2008: € 42.8 million), **adjusted earnings before taxes** by 17% to € 38.0 million (1-3/2008: € 46.0 million), **earnings before interest and taxes (EBIT)** by 15% to € 48.2 million (1-3/2008: € 56.7 million), **adjusted earnings before interest and taxes** by 14% to € 49.9 million (1-3/2008: € 57.9 million), **earnings before interest, taxes, depreciation and amortization (EBITDA)** by 12% to € 67.5 million (1-3/2008: € 76.5 million) and **adjusted earnings before interest, taxes, depreciation and amortization** by 11% to € 67.6 million (1-3/2008: € 75.8 million).

1) Adjusted in accordance with IAS 8 (see "Appendix 1.2.").
2) The adjusted key earnings figures in accordance with IFRS are pro forma key earnings figures which are solely aimed at presenting the earnings development more transparently.
3) In accordance with IAS 33.31.

Thus, the sales-related profit margins in the reporting period were as follows: **operating profit margin** 12.9% (1-3/2008: 14.2%), **adjusted operating profit margin** 13.4% (1-3/2008: 14.8%), **EBITDA margin** 18.0% (1-3/2008: 19.2%), **adjusted EBITDA margin** 18.0% (1-3/2008: 19.0%), **EBIT margin** 12.8% (1-3/2008: 14.2%), **adjusted EBIT margin** 13.3% (1-3/2008: 14.5%), **EBT margin** 8.6% (1-3/2008: 10.7%), **adjusted EBT margin** 10.1% (1-3/2008: 11.5%), **net profit margin** 6.4% (1-3/2008: 7.6%), **adjusted net profit margin** 7.5% (1-3/2008: 8.1%).

Overall, against the backdrop of the difficult framework conditions and the global financial and economic crisis STADA, as expected, experienced decreased earnings in the first quarter of 2009; the results achieved however, also in terms of earnings, were in the upper area of the current planning corridor. The minimum goal of adjusted EBITDA of € 250 million in the STADA Group for fiscal year 2009 should therefore, from today's perspective of the Executive Board, be achievable. Regardless of the expected earnings decrease in the first half of 2009 the Executive Board also continues to see the opportunity that STADA, with the expected revival of business in the second half year can overall still achieve and even exceed the earnings level from the previous year in fiscal year 2009.

Segment development

Sales of the two **core segments**, Generics and Branded Products, increased by a total of 1% or adjusted by 5% in the first quarter of 2009 as compared to the corresponding quarter of the previous year. This gives them a share of 96.2% (1-3/2008: 89.7%) in Group sales in the reporting period; the increase of the core segments' relative sales significance is primarily due to the disposal of non-core segments in the United Kingdom.

With € 269.5 million in the reporting quarter (1-3/2008: € 269.4 million), sales of **Generics**, which continues to be the significantly larger core segment, were at the level of the same quarter of the previous year in spite of the partly very difficult framework conditions (see "Regional development in the STADA Group"). Generics thus contributed 71.7% in the first three months of 2009 (1-3/2008: 67.5%) to Group sales. Adjusted generics sales in the Group increased by 3%; in particular, generics sales generated in Russia and Serbia were burdened by the translation into the Group currency euro as a result of the weak local currencies.

Branded Products achieved a sales plus of 4% to € 92.0 million in the first quarter of 2009 (1-3/2008: € 88.6 million). Thus, Branded Products had a share of 24.5% in Group sales in the reporting quarter (1-3/2008: 22.2%). Here, on the one hand branded product additions in Italy were particularly noticeable; on the other hand sales shortfalls due to disposed products were also recorded in Italy. In addition, significant Branded Products sales were also incurred in countries with relative currency weakness (Russia, Serbia, United Kingdom). Adjusted, Branded Products even increased by 10% in terms of sales in the first quarter of 2009.

From the Executive Board's perspective, this sales development of the Group's Branded Products is remarkably positive since at over 60% it is a matter of non-prescription products and they are therefore usually not reimbursed by the national health care systems, but are financed by the patients themselves. Obviously the difficult economic framework conditions of the global financial and economic crisis have not significantly influenced the demand basis for the Group's branded products business as yet.

In **Commercial Business**, which is not part of the core business, STADA recorded sales in the amount of € 11.9 million in the first three months of 2009 (1-3/2008: € 11.7 million). Sales reported under **Group holdings/other** decreased to € 2.6 million in the reporting period (1-3/2008: € 29.3 million). In the first quarter of 2008 partial sales in the amount of € 23.0 million from the British Forum Products division[1)] which was sold in the third quarter of 2008 and is not part of the STADA Group's core segments were still included in this segment among others.

In the first three months of the current fiscal year **Generics** recorded an **operating segment profit** of € 39.0 million (1-3/2008: € 43.4 million). This corresponds to a sales-related **operating segment margin** for **Generics** in the amount of 14.5% (1-3/2008: 16.1%). Here, influences of the difficult market environment in individual national markets are mirrored (see "Regional development in the STADA Group"). By deducting one-time special effects and not operative-related effects the **adjusted operating segment margin** of **Generics** for the first quarter of 2009 amounted to 13.6% (1-3/2008: 16.0%). **Operating profit** in the **Branded Products segment** amounted to € 17.8 million in the reporting quarter (1-3/2008: € 12.1 million). Thus the **operating segment margin** for **Branded Products** amounted to 19.3% (1-3/2008: 13.7%).

Regional development in the STADA Group

In **Europe**, total sales of the STADA Group fell by a total of 7% to € 360.9 million (1-3/2008: € 386.5 million) in the first quarter of 2009, adjusted, however, sales increased by 3% as compared to the previous year. Sales generated by STADA in Europe had a share in Group sales of 96.0% (1-3/2008: 96.9%) in first three months of the current fiscal year.

In **Western Europe**, sales thereby declined by 6% to € 282.5 million (1-3/2008: € 299.5 million) – primarily resulting from disposals of non-core business in the United Kingdom; adjusted Group sales therefore increased by 2% here. Hence, Western European sales had a share in Group sales of 75.1% (1-3/2008: 75.1%) in the reporting period. In **Eastern Europe**, the so called CEE countries[2)], the Group recorded a drop in sales of 10% to € 78.5 million (1-3/2008: € 87.0 million), in particular due to currency influences. Adjusted sales, however, increased by 6%. Eastern European sales had a share in Group sales of 20.9% (1-3/2008: 21.8%) in the first quarter of 2009.

In **Asia**, Group sales in the first three months of 2009 were at the level of the previous year at € 10.9 million (1-3/2008: € 10.9 million), adjusted sales were 4% higher. Thus, STADA recorded a sales share of 2.9% (1-3/2008: 2.7%) in Asia in the reporting quarter. In the **rest of the world**, Group sales rose by 159% to € 4.1 million (1-3/2008: € 1.6 million) in the first quarter of 2009; here, adjusted sales growth was at 317%, with sales contributing 1.1% (1-3/2008: 0.4%) to Group sales.

In **Germany**, which continues to be STADA's biggest national market, the Group recorded a slight sales growth of 1% to € 147.9 million in the reporting period (1-3/2008: € 146.1 million). Thus the share of German business activities in Group sales amounted to 39.3% in the reporting quarter (1-3/2008: 36.6%).

In Germany sales in the Branded Products segment grew in the first quarter of 2009 by 3% to € 34.2 million (1-3/2008: € 33.3 million). So far the economically difficult situation has obviously not resulted in a curbed demand for the Group's branded products which are mainly applied in self-medication.

1) As is known, since the disposal of the Forum Products division, the Forum Bioscience Group's remaining business is continued by STADA as Britannia Pharmaceuticals Ltd.

2) Central Eastern Europe.

In the Generics segment, the Group continued to be confronted with difficult framework conditions such as a continuing high margin pressure due to discount agreements between suppliers and health insurance organizations and a clearly more unfavorable price and discount level than in the comparative quarter of the previous year. Nevertheless, the STADA Group's Generics sales in Germany increased by 3% to € 112.9 million in the first three months of the current fiscal year (1-3/2008: € 109.4 million).

Distinct growth impulses thereby continued to be given by the largest of the Group-owned sales labels in the German generics market, ALIUD PHARMA. With sales growth of 21% to € 66.5 million (1-3/2008: € 55.1 million) ALIUD PHARMA further strengthened its market position as the third largest label in the German generics market.

The label STADApharm, however, was not yet able to fully offset the new aggressive price policy launched at the beginning of the year by means of growth in units sold. As a consequence, in the first quarter of the current fiscal year the sales of this label, as expected, still clearly decreased, going down by 20% to € 39.9 million (1-3/2008: € 50.0 million).

The STADA Group's other generics sales label in Germany, cell pharm, special supplier for the indication areas oncology and nephrology, increased sales in the first three months of 2009 by 42% to € 6.1 million (1-3/2008: € 4.3 million). The pleasing sales development of the Group's first biosimilar[1)], SILAPO® (active ingredient Epo-zeta[2)]), which was launched in the first quarter of 2008 and achieved sales of € 2.4 million in the reporting quarter, mainly contributed to this.

Overall, pursuant to information from IMS Health[3)] the STADA Group further increased its market share by volume in the German generics market to 13.2% in the first quarter of 2009 (corresponding period in the previous year: 12.3%).

In Germany STADA expects – with an operating profitability that remains below Group average – rising market shares in the local generics market, but also continued overall growing generics sales for fiscal year 2009.

Major product launches, among other things, should also contribute to this. Thus, in the current second quarter, in time with the patent expiry on May 07, 2009 ALIUD PHARMA as well as STADApharm were able to complement their comprehensive product portfolio with Pantoprazole[4)] generics in all current strengths and package sizes (see "Research and development").

As the number of discount agreements with public health insurance organizations and the discount agreement volume covered with this is a decisive precondition for market success in the German generics market, both STADA generics labels had also submitted comprehensive bids in the scope of tenders of new discount agreements made by the Allgemeinen Ortskrankenkassen (AOK) in the second half of 2008.[5)] Thus, the STADA Group, from the Executive Board's perspective, achieved a strong result of 16 new discount agreements for the sales label ALIUD PHARMA and 24 new discount agreements for the sales label STADApharm. Thereby, the two STADA sales companies have received awards which account for a total of approx. 18% of the annual sales potential intended for awarding; STADA's previous market share was below 12% here.[6)]

1) Biosimilar is a biopharmaceutical product, i.e. drugs with a protein as biopharmaceutical active ingredient which is produced by genetically modified cell lines which, despite different producing cell lines, compared to an initial supplier product which is already on the market, is so similar that the biosimilar has proven therapeutic equivalence.
2) Epo-zeta is used in nephrology for the treatment of renal anemia with chronic renal insufficiency and in oncology for the treatment of chemotherapy-induced anemia.
3) Worldwide provider of market data for the pharmaceutical industry. Data related to sales of the manufacturers to the distribution channels.
4) Pantoprazole is in terms of sales one of the worldwide strongest pharmaceutical active ingredients for the treatment of gastric and duodenal ulcers. The sales volume achieved with this active pharmaceutical ingredient by the initial supplier in the EU was clearly above € 200 million in Germany in 2008 (STADA estimate at ex-factory prices).
5) See the Company's Corporate News of December 05, 2008.
6) STADA estimate at ex-factory prices at the time of the preliminary award in December 2008.

All new discount agreements from these AOK tenders – both of the STADA Group and of competitors – will now take effect as of June 1, 2009 after lengthy examinations with regard to tender regulations; to a certain extent transitional arrangements for the implementation of the new contracts on the market have to be expected for some weeks. For the awarded products the respective STADA sales company becomes the lone discount agreement partner of AOK in the respective contract area. Products prescribed by doctors without discount agreements must then be replaced when dispensed at the pharmacy by the competitive product which is covered by a discount agreement and contains the same active ingredient (so-called substitution) if doctors do not explicitly rule this out in each case by marking it on the prescription. Therefore, the STADA sales companies can presumably expect very significant increases in units sold and sales for the affected products when these discount agreements become effective, though with reduced margins. Additionally, for the remaining discount agreements tendered out by the AOK where the Group was not awarded any contracts, STADA has to expect, to a large extent, a decline in demand in prescriptions for AOK-insured persons during the two-year contract term. Overall, from today's perspective STADA does however assume that the new AOK discount agreements open up the opportunity for STADA to gain further market share in the German generics market.

Further legal reviews on a national as well as an EU level of numerous existing discount agreements in the German generics market continue to be carried out. The Group's labels affected by this – almost exclusively ALIUD PHARMA and STADApharm – are preparing adequately in the scope of what is operatively possible for the various result scenarios of these reviews.

In Russia, STADA's second most important national market, STADA, in view of the difficult economic environment there recorded very pleasing sales growth of 28% in local currency; in euro sales increased by 3% to € 36.2 million (1-3/2008: € 35.1 million) due to the weak ruble.

Both core segments contributed nearly equal amounts to local Group sales. Sales of generics in Russia amounted to € 20.6 million in the first quarter of 2009 (1-3/2008: € 19.1 million) or 57% of STADA's sales in Russia (1-3/2008: 55%). Sales of branded products in Russia amounted to € 15.5 million in the reporting period (1-3/2008: € 15.9 million) or 43% of STADA's sales in Russia (1-3/2008: 45%).

Against this backdrop, STADA continues to expect a clear expansion of the Russian business for fiscal year 2009 with an operating profitability which continues to be above Group average; however, sales and earnings contributions of the Russian business will, also in 2009, remain significantly influenced by the further development of the currency relation of the Russian ruble to the euro.

In Italy the Group's sales went up by 6% to € 29.5 million (1-3/2008: € 27.7 million) in the reporting period; adjusted, this resulted in a sales plus of 2%. In this context the two core segments recorded developments in opposite directions in Italy. Due to intensified price competition, generics sales went down by 4% to € 16.8 million in the first three months of 2009 as compared to the previous year (1-3/2008: € 17.6 million), thus contributing 57% (1-3/2008: 64%) to local Group sales. The Group's branded products business grew in contrast – including acquisitions and disposals – by 26% to € 12.6 million in Italy (1-3/2008: € 10.1 million); its contribution to Group sales in Italy thus amounted to 43% in the first quarter of 2009 (1-3/2008: 36%).

The regulatory measures originally expected in Italy for the first quarter of 2009 will be delayed at least until the second half of the current second quarter. Whether these measures which include, among other things, a possibly earnings-boosting discount ban for manufacturers to the distribution channels as well as regulatory price reductions with a negative effect on earnings, will in their entirety have a positive or a negative effect on the local Group companies cannot be conclusively assessed at this point in time. With this qualification, STADA expects over the course of the rest of the year a further moderate sales increase for the Italian business with an operating profitability which continues to be approximately at Group average.

In Belgium STADA achieved a pleasing sales increase of 7% to € 26.6 million in the first three months of 2009 (previous year: € 24.8 million). A moderate regulatory stimulation of generics launched since the beginning of the year was successfully translated into own growth by the local Group-owned sales company which is the local generics market leader by a wide margin.

STADA's Belgian sales are mainly achieved with generics. In the reporting period the local STADA sales company reached sales growth of 9% to € 25.7 million (1-3/2008: € 23.4 million) in Generics, thus contributing 96% to Belgian Group sales (1-3/2008: 94%). The branded products business, which STADA is currently developing, fell by 33% to sales of € 0.9 million in the first three months of 2009 (1-3/2008: € 1.4 million), thus contributing 4% to Belgian Group business (1-3/2008: 6%).

In Belgium, also over the course of the rest of the year, STADA, from today's perspective, expects a sales increase with an operating profitability which continues to be approximately at Group average.

In Serbia STADA's sales decreased by 41% in local currency in the first three months of the current fiscal year and in euro by 49% to € 16.8 million (1-3/2008: € 32.7 million). This development was largely due to local weaknesses in demand in the course of the global financial and economic crisis. Moreover, in January 2009 Hemofarm was severely affected, as is known, both in sales and in production by the local natural gas shortage due to the gas dispute between Russia and Ukraine.[1)] As a result of the reduced sales basis, the operating profitability in Serbia and with this also in the Serbian subgroup – contrary to previous expectations – was not above, but approximately only at Group average in the first quarter of 2009.

Sales generated by STADA in Serbia are mainly achieved with generics. In the reporting period this share of sales amounted to € 12.1 million (1-3/2008: € 26.2 million), thus contributing 72% to Serbian Group sales (1-3/2008: 80%). In the Branded Products core segment, sales of € 1.0 million were generated in the first three months of 2009 (1-3/2008: € 1.8 million), thus accounting for a share of 6% in the Serbian Group business (1-3/2008: 5%).

From the Executive Board's current perspective, it is unclear, if and when a significant recovery of sales will take place in Serbia in the course of the year. In addition, the sales and earnings contributions of the Serbian business at Group level will remain significantly influenced by the development of the currency relation of the Serbian dinar to the euro.

STADA's ten largest markets also include the following five national EU markets in which STADA recorded the following mixed sales developments (by comparing the first quarter of 2009 vs. the first quarter of 2008 respectively):

1) See STADA's Annual Report 2008.

- **Spain:** +15% to € 18.8 million (1-3/2008: € 16.3 million)
- **France:** -3% to € 17.6 million (1-3/2008: € 18.1 million)
- **United Kingdom:** -65% (mainly due to disposals of non-core activities and currency effects) to € 12.1 million (1-3/2008: € 34.6 million)
- **Bosnia-Herzegovina:** +121% to € 9.9 million (1-3/2008: € 4.5 million)
- **The Netherlands:** -7% to € 9.3 million (1-3/2008: € 10.0 million)

In the 15 **additional European countries** with Group-owned local sales companies, STADA overall achieved sales growth of 3% to € 33.7 million in the first quarter of 2009 (1-3/2008: € 32.8 million). In **Poland** and **Bulgaria** such national STADA sales companies were launched in the first quarter of 2009.

In countries without own sales companies, **export sales** generated by STADA slightly decreased in the first quarter of 2009 by 1% to € 9.6 million as compared to the same period in the previous year (1-3/2008: € 9.6 million).

Research and development

Research and development costs amounted to € 11.1 million in the reporting period (1-3/2008: € 10.5 million). Since STADA still does not carry out any research into new active pharmaceutical ingredients due to its business model, it is only a matter of development costs. Beyond that, in accordance with the existing Group accounting guidelines, development costs for new products in the amount of € 3.2 million were capitalized in the reporting period (1-3/2008: € 2.9 million).

Overall, STADA launched 121 individual products worldwide in the first three months of the current fiscal year (1-3/2008: 124 product launches) in individual national markets.

In addition, in the current second quarter STADA launched first generics with the active pharmaceutical ingredient Pantoprazole[1)] in the German market. In time with the patent expiry the Group's two German generics labels, ALIUD PHARMA as well as STADApharm, expanded their comprehensive product portfolio by Pantoprazole generics in all current strengths and package sizes. In the current second quarter of 2009, in several other EU countries, too, additional STADA sales companies launched Pantoprazole generics in their respective national market in time with patent expiry.

In the Executive Board's assessment STADA's unchanged well-filled product pipeline allows for a continuous flow of new products, particularly in view of generics in the EU countries, to be expected.

In addition, in the first quarter of 2009 STADA has begun preparatory work for the development of further biosimilar products from the product category of monoclonal antibodies, reviewing at the same time various financing models; with this, the development pipeline is to be expanded by important biopharmaceuticals at an early stage.

1) Pantoprazole is in terms of sales one of the strongest pharmaceutical active ingredients in the world for the treatment of gastric and duodenal ulcers. In 2008, the sales volume achieved with this active ingredient by the initial supplier in the EU was above € 1.1 billion, thereof clearly above € 200 million in Germany (STADA estimate at ex-factory prices).

Financial position and cash flow

In the Executive Board's view, the STADA Group's financial situation continues to be stable. The **equity-to-assets ratio** was 34.6% on the reporting date March 31, 2009 (December 31, 2008: 34.0%) and thereby remains clearly, from the Executive Board's perspective, in a satisfying area of above 30%.

Net debt amounted to € 1,007.7 million on March 31, 2009 (December 31, 2008: € 1,015.7 million) and continues to be mainly financed via long-term promissory notes from various international and national banks with maturities in the area of 2010-2015. In addition, STADA has open credit lines of approx. € 500 million available – also for financing acquisitions.

The Group's **gross cash flow** was € 44.1 million in the reporting period (1-3/2008: € 51.4 million). The **cash flow from operating activities** amounted to € 37.9 million in the first three months of the current fiscal year (1-3/2008: € -4.2 million, adjusted for influences from other accounting periods[1)] at that time € +11.8 million).

Thus the improvement of the cash flow from operating acticities which already became apparent in the past fiscal year 2008 fortunately continued in the first quarter of 2009.

Acquisitions and disposals

Against the backdrop of the current global financial and economic crisis STADA continued to pursue its cautious acquisition policy in the first quarter of 2009, still applying particularly stringent standards in terms of profitability and appropriateness of the purchase price. Thus, in the first quarter of 2009 only one small acquisition in Denmark as well as an additional increase of shareholdings in BIOCEUTICALS Arzneimittel AG were carried out.

As is known, on January 26, 2009 the Danish STADA subsidiary PharmaCoDane ApS, Copenhagen, signed a contract for the acquisition of the Danish company Dermalog ApS, Hotte, at a purchase price of € 1.0 million. The merger of both companies was initiated immediately after the acquisition took effect; Dermalog's business activities have been consolidated in the STADA Group since the beginning of 2009.[2)]

With legal validity of a capital increase carried out in 2008, STADA's shareholding in BIOCEUTICALS Arzneimittel AG, as is known, initially rose to a total of 15.44% as of February 4, 2009. In an additional capital increase by BIOCEUTICALS Arzneimittel AG in the first quarter of 2009, STADA participated disproportionately as compared to its previous stake with a capital contribution totaling € 1.5 million; with legal validity of this capital increase STADA now holds 15.86% of BIOCEUTICALS and in addition continues to have a so-called call option on the purchase of all outstanding BIOCEUTICALS shares, which can be exercised yearly from 2011.

STADA's Executive Board continues to see the opportunity, but also in view of the increasing concentration processes in the industry the necessity, to complement organic Group growth by means of additional external growth impulses. Against this backdrop the Group will continue to pursue an active, but also cautious acquisition policy and to make use of standards that remain stringent in terms of profitability and appropriateness of the purchase price. In this context, the Executive Board does also not rule out cooperations with significant equity investments.

1) Utilization of existing provisions as a consequence of the negative patent decision in Germany in connection with the active pharmaceutical ingredient Olanzapine in December 2008.

2) Sales contribution 1-3/2009: € 0.2 million.

For the financing of external growth, the Executive Board also continues to be willing to further increase the Group's net debt. To create a sufficient financial framework for corresponding acquisition projects as well as cooperations with equity investments appropriate capital measures continue, however, also to be imaginable if such acquisitions too strongly burdened the equity-to-assets ratio.

STADA share

The performance of the STADA share continued to be disappointing in the first quarter of 2009. Also against the backdrop of the global financial and economic crisis the share price development was very volatile and strongly decreasing, resulting in a temporary annual low of € 10.11 on March 6, 2009. On March 31, 2009, the STADA share was listed at € 12.32, whereas the year-end price in 2008 had been € 20.50; overall the STADA share thereby lost 40% of its value in the first three months of 2009, which, from the Executive Board's perspective, seems not at all justified by the current business development. On the reporting date March 31, 2009, the market capitalization of STADA amounted to € 0.724 billion. As of December 31, 2008 the market capitalization of STADA was € 1.205 billion.

As of March 31, 2009, subscribed share capital of STADA Arzneimittel AG consisted of 58,759,820[1)] restricted[2)] registered common shares, each with an arithmetical share in share capital of € 2.60 (December 31, 2008: 58,759,820 registered common shares). Thus, the number of shares and share capital in the amount of € 152,775,532.00 (December 31, 2008: € 152,775,532.00) did not change in the first quarter of 2009. As of March 31, 2009, 181,520 warrants 2000/2015[3)] for the subscription of 3,630,400 STADA registered common shares continued to be outstanding.

In the first three months of 2009 STADA did not purchase any of its own shares and sold 5,191 of its own shares at an average price of € 13.75. As of March 31, 2009, 104,468 of its own shares were thereby held by STADA, compared to 109,659 shares which the Company had held as of December 31, 2008.

In the first quarter of 2009 there was, in accordance with section 26 (1) of the German Securities Trading Act (WpHG), one announcement on falling below a legal reporting threshold. Deutsche Bank AG London, London, announced for its subsidiary, DWS Investment GmbH, Frankfurt am Main, the falling below the legal reporting threshold of 3%. On March 31, 2009 STADA assumes, by considering the announcements on exceeding or falling below reporting thresholds available to the Company that there are no shareholdings exceeding any of the legal reporting thresholds. In accordance with Deutsche Börse AG regulations, the free float of STADA Arzneimittel AG thus remains 100%.

Outlook

The Executive Board confirms the outlook and risk report published for the Group in STADA's Annual Report 2008.

Accordingly, the further development of the STADA Group is, on the one hand, characterized by the existing structural and operative growth opportunities, on the other hand, however, there is a continued operationally challenging environment and significant burdens from the global financial and economic crisis to consider.

1) After deducting own shares, 58,655,352 registered common shares are entitled to vote.
2) Under the Company's articles of incorporation, STADA's restricted registered common shares can only be transferred in the share register with the consent of the Company and, pursuant to the statutes, grant one vote each in the Annual Shareholders' Meeting. Shareholders are only those who are registered as such in the share registry and only such persons are authorized to participate in the Annual Shareholders' Meeting and to exercise voting rights. No shareholder and no shareholder group shall have any special rights.
3) The legally binding option terms and conditions are published on the Company website under www.stada.de and www.stada.com.

The Executive Board continues to constantly align the Group to this operationally challenging environment. Due to the strategic focus on growth markets, the established operating success factors and the intended supplementing of organic growth by means of additional external growth impulses in the context of a cautious acquisition policy, opportunities open up which, in the Executive Board's assessment, generally allow for the operating challenges and risks in individual national markets to be successfully coped with.

Against this backdrop, the Executive Board continues to deem STADA's operative business model sustainable and viable for the future and sees, from today's perspective, the fundamental chance to achieve growth in terms of sales and net income in the years to come regardless of conditions which remain challenging.

Whether STADA, however, under the especially difficult framework conditions of the global financial and economic crisis, can also grow in fiscal year 2009 is, from today's perspective, open and depends, in addition to the operative development in important key markets such as Germany, Russia and Serbia, also to a significant degree on non-operational factors like interest rate level and currency relations.

Also from today's perspective of the Executive Board, the minimum goal of adjusted EBITDA of € 250 million in the STADA Group for fiscal year 2009 should be achievable. Regardless of the expected sales and earnings decrease in the first half of 2009, the Executive Board continues to see the opportunity that STADA, with the expected revival of business in the second half year can overall, as before, achieve and even exceed the sales and earnings level from the previous year in fiscal year 2009.

H. Retzlaff W. Jeblonski C. Schumann

Publisher: STADA Arzneimittel AG, Stadastrasse 2–18, D-61118 Bad Vilbel, Phone: +49 (0) 61 01/6 03-0, Fax: +49 (0) 61 01/6 03-2 59, E-Mail: info@stada.de

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

1) Employee representatives.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF 2009 (ABRIDGED)

Consolidated Income Statement

in € 000s	1/1-3/31/2009	1/1-3/31/2008[1]
01. Sales	375,940	398,972
02. Cost of sales	198,268	212,379
03. Gross profit	**177,672**	**186,593**
04. Other operating income	15,910	12,383
05. Selling expenses	84,200	87,640
06. General and administrative expenses	29,883	29,627
07. Research and development expenses	11,142	10,513
08. Other operating expenses	19,732	14,559
09. Operating profit	**48,625**	**56,637**
10. Investment income	0	1,049
11. Result from the accounting of associated companies under the equity method	-404	-940
12. Interest result	-16,068	-13,913
13. Financial result	**-16,472**	**-13,804**
14. Earnings before taxes	**32,153**	**42,833**
15. Taxes on income	7,948	12,111
16. Net income[2]	**24,205**	**30,722**
thereof		
• net income distributable to shareholders of STADA Arzneimittel AG	24,118	30,337
• net income relating to minority interests	87	385
17. Earnings per share in € (in accordance with IAS 33.10)	0.41	0.52
18. Earnings per share in € (diluted) (in accordance with IAS 33.31)	0.41	0.50

1) Adjusted in accordance with IAS 8 (see "Appendix 1.2.").

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

Consolidated Balance Sheet

Assets € 000s	Mar. 31, 2009	Dec. 31, 2008
A. Non-current assets	1,389,049	1,412,913
1. Intangible assets	982,489	1,000,852
2. Property, plant and equipment	299,718	306,621
3. Financial assets	21,707	20,811
4. Shares in associated companies accounted for under the equity method	5.523	4.388
5. Non-current trade accounts receivable	1,088	1,325
6. Other non-current assets	48,816	50,160
7. Deferred tax assets	29,708	28,756
B. Current assets	996,195	1,056,561
1. Inventories	385,376	396,873
2. Current trade accounts receivable	450,771	458,186
3. Other current assets	87,916	88,854
4. Non-current assets held for sale	3.004	2.103
5. Current securities	48	66
6. Cash and cash equivalents	69,080	110,479
Total assets	2,385,244	2,469,474

Equity and Liabilities		
A. Shareholders' equity	824,717	839,735
1. Share capital	152,775	152,775
2. Reserves and unappropriated retained earnings	661,748	674,581
3. Minority interests	10,194	12,379
B. Non-current liabilities and provisions	877,517	887,664
1. Non-current provisions	23,025	22,872
2. Non-current financial liabilities	757,574	761,138
3. Non-current trade accounts payable	88	88
4. Other non-current liabilities	25,775	30,785
5. Deferred tax liabilities	71,055	72,781
C. Current liabilities and provisions	683,010	742,075
1. Current provisions	8,454	20,339
2. Current financial liabilities	319,235	365,099
3. Current trade accounts payable	204,285	228,605
4. Other current liabilities	151,036	128,032
Total equity and liabilities	2,385,244	2,469,474

Consolidated Cash Flow Statement

in € 000s (excerpt)	1/1-3/31/2009	1/1-3/31/2008
Cash flow (gross)	44,140	51,365
Cash from operating activities	37,881	-4,176
Cash from investing activities	-21,720	-19,837
Cash from financing activities	-49,428	24,491
Other changes in shareholders' equity / currency translation	-8,132	-7,383
Net cash for the period	-41,399	-6,905

Statement of Recognized Income and Expenses

in € 000s	1/1-3/31/2009	1/1-3/31/2008[1)]
Net income	24,205	30,722
thereof		
• net income distributable to shareholders of STADA Arzneimittel AG	24,118	30,337
• net income relating to minority interests	87	385
Income and expenses recognized directly in shareholders' equity	-37,170	-20,210
thereof		
• Currency translation differences	-35,656	-19,724
• derivative financial instruments	-2,201	-472
• actuarial gains (+) and losses (-) from provisions for pensions	137	-185
• deferred taxes	550	171
Total of all recognized income and expenses	-12,965	10,512

Consolidated Statement of Equity

in € 000s	1/1-3/31/2009	1/1-3/31/2008[1)]
Equity capital at the beginning of the period	839,735	919,636
Net income including profit relating to minority interest	24,205	30,722
Capital increase through the exercising of warrants	-	8
Changes in provisions for payments to employees in accordance with IAS 19	100	-136
Changes in provisions for fair value assessment and cash flow hedges	-1,614	-350
Other changes/currency translation	-37,709	-19,706
Equity capital at the end of the period	824,717	930,174

Appendix

1. General

1.1. Accounting policies

In accordance with the regulations of section 37x (3) of the German Securities Trading Act (WpHG), this interim report of STADA includes consolidated interim financial statements and a consolidated interim management report. The consolidated interim financial statements have been prepared under consideration of the International Financial Reporting Standards (IFRS) for interim reporting as applicable in the EU. The consolidated interim management report has been prepared in consideration of the applicable WpHG regulations.

The consolidated interim financial statements as of March 31, 2009 have been prepared under consideration of the regulations outlined in the International Accounting Standard (IAS) 34. In accordance with the provisions of IAS 34, an abridged scope of reporting as compared to the consolidated financial statements as of December 31, 2008 was selected.

1) Adjusted in accordance with IAS 8 (see "Appendix 1.2.").

All IFRS published by the International Accounting Standards Board (IASB) and effective when the present interim report was prepared and applicable in the European Union, have been observed by STADA.

As compared to fiscal year 2008 the following standards and interpretations are therefore applied:

- IAS 1 "Presentation of Financial Statements": In this context STADA makes use of the option to show an income statement as well as, based on profit for the period, a disclosure of income and expenses recognized in equity without effect on income. Additionally, the presentation of the statement of changes in shareholders' equity is now made as a separate part of the report before the Appendix.
- IAS 23 "Borrowing Costs": With this, for STADA the former option to directly recognize borrowing costs that can be directly allocated to the acquisition, construction or manufacture of a qualified asset as an expense no longer applies.
- IFRS 8: Since the beginning of the current fiscal year 2009 STADA, as required, has applied the regulations of IFRS 8, replacing the regulations of IAS 14 which were applied up to the end of 2008. Under IFRS 8 the identification of reportable operating segments is based on the "Management Approach", which has already been applied by STADA in the past in accordance with IAS 14. Moreover, external segment reporting is to be carried out based on the management and reporting figures used internally.
- IFRIC 13 "Customer Loyalty Programs": This interpretation deals with accounting and measurement of customer loyalty programs where the customer receives points (award credits) allowing him to receive free or discounted goods or services from the seller or third parties.

In the Executive Board's view, the interim report includes all usual adaptations that must be constantly made and which are necessary for an adequate presentation of the Group's business, financial and earnings situation. With regard to the principles and methods used in the context of Group Accounting reference is made to the Appendix of the consolidated financial statements of the Annual Report 2008.

1.2. Restatement of comparative information from the consolidated financial statements as of March 31, 2008 in accordance with IAS 8

Following the examination carried out by the German Financial Reporting Enforcement Panel DRP e.V. in fiscal year 2008 in accordance with section 342 b (2) sentence 3 no. 3 HGB (random sample examinations) and the resulting findings, the comparative figures from the interim report as of March 31, 2008 have been restated accordingly. For more details, please refer to section 1.5. of the consolidated financial statements for fiscal year 2008.

The following overview summarizes the restated figures of the Income Statement for the period January 1 to March 31, 2008:

Significant figures from the Income Statement (January 1 - March 31 respectively) in € 000s	2008 as originally disclosed	Corrections in accordance with IAS 8	2008 after corrections
Operating profit	56,637	-	56,637
Investment income	1,049	-	1,049
Result from the accounting of associated companies under the equity method	-	-940	-940
Interest result	-13,913	-	-13,913
Financial result	-12,864	-940	-13,804
Earnings before taxes	43,773	-940	42,833
Taxes on income	12,111	-	12,111
Net income	31,662	-940	30,722
thereof			
• net income distributable to shareholders of STADA Arzneimittel AG	31,277	-940	30,337
• net income relating to minority interests	385	-	385

1.3. Scope of consolidation

The consolidated financial statements of STADA have been prepared for STADA Arzneimittel AG as parent company.

Changes in the scope of consolidation as compared to December 31, 2008 result from the deconsolidation of Health Vision Enterprise Ltd., Hong Kong, China (due to lack of material significance), since then as well as the initial consolidation of the companies STADA Pharma Slowakia s.r.o., Bratislava, Slovakia, STADA PHARMA Poland Sp z.o.o., Warsaw, Poland, OOO STADA PharmDevelopment, Nizhny Novgorod, Russia as well as the companies HTP Huisapotheek B.V and Neocare B.V. both Etten Leur, the Netherlands.

As of the balance sheet date on March 31, 2009, 65 companies are thereby consolidated fully and two on a pro rata basis. Moreover, one company is accounted for as an associate in accordance with IAS 28 using the equity method.

2. Consolidated income statement: summary

2.1. Sales

Sales recorded in this interim report are all in accordance with the principle of revenue recognition: Revenues from the sale of products and goods are recognized when goods have been delivered or services rendered and both risk and title have passed to the buyer.

2.2. Research and development expenses

In the case of research and development expenses, it must be considered that it is only a matter of development expenses because STADA, due to its business model, does not carry out any research into new active pharmaceutical ingredients. In accordance with the STADA Group's accounting guidelines presented in the Annual Report 2008 a part of research and development costs is capitalized.

2.3. Taxes on income

Taxes on income are recognized in each reporting period based on the best estimate of the weighted average annual income tax rate expected for the full year. This tax rate is applied to the earnings before taxes of the Group's consolidated financial statements for the first three months of 2009.

3. Consolidated balance sheet: summary

3.1. Intangible assets

As of March 31, 2009, intangible assets included € 328.8 million (December 31, 2008: € 339.1 million) goodwill.

3.2. Consolidated statement of changes in shareholders' equity

Pursuant to IAS 1.124 b STADA understands capital exclusively as this equity reported in the Group's balance sheet and aims to continuously improve its market value through optimal capital management.

Group equity on March 31, 2009 amounted to € 824.7 million (December 31, 2008: € 839.7 million). Thus, an equity-to-assets ratio of 34.6% existed on this reporting date (December 31, 2008: 34.0%).

3.3. Financial liabilities

As of March 31, 2009, the Group's current and non-current financial liabilities in the amount of € 319.2 million or € 757.6 million (December 31, 2008: € 365.1 million or € 761.1 million) include non-current promissory notes in the amount of € 650.0 million (December 31, 2008: € 650.0 million).

3.4. Other financial obligations

Other financial obligations mainly relate to obligations from rental and leasing obligations as well as additional financial obligations. On March 31, 2009 rental and leasing obligations amounted to € 46,252 thousand (December 31, 2008: € 47,477 thousand) and the remaining financial liabilities amounted to € 59,889 thousand (December 31, 2008: € 61,283 thousand).

4. Cash flow statement: summary

4.1. Cash flow from operating activities

Cash flow from operating activities consists of changes in items not affected by capital expenditure, financing, changes in exchange rates from the conversion of foreign financial statements or through the scope of consolidation and measurement-related changes in positions covered.

4.2. Cash flow from investing activities

Cash flow from investing activities reflects the cash outflows for investments adjusted by the inflows from disposals.

4.3. Cash flow from financing activities

Cash flow from financing activities encompasses changes in financial liabilities.

4.4. Net cash flow for the period

Net cash flow for the period is the balance of cash inflows and outflows from operating activities, financing activities and investing activities, as well as from other changes in shareholders' equity and from currency translation as well as the influence of changes in the balance sheet by companies consolidated for the first time.

5. Other disclosures

5.1. Related party disclosures

Related party disclosures made in the Annual Report 2008 remain unchanged for the financial statements of the first quarter of 2009, with the two following exceptions that the utilization of the capital guarantee granted by STADA to BIOCEUTICALS Arzneimittel AG amounted to € 13.7 million as of March 31, 2009 and that a total of € 39.2 million has been used from the credit line facility given by STADA to BIOCEUTICALS.

6. Segment reporting

6.1. General information

With the first-time application of IFRS 8, STADA continues to report a segment result that corresponds to the operating profit of the income statement in accordance with IFRS.

Since the application of IFRS 8, disclosures on segment assets relate to non-current assets (intangible assets, property, plant and equipment as well as financial assets); the figures for the previous year were adjusted accordingly.

STADA Arzneimittel

6.2. Segment information according to business segments

in € 000s		1/1-3/31/2009	1/1-3/31/2008
Generics	External sales	269,465	269,422
	Sales with other segments	904	62
	Total sales	270,369	269,484
	Operating profit	38,980	43,421
	Segment assets (Mar. 31)	890,236	823,800[1)]
Branded Products	External sales	92,009	88,581
	Sales with other segments	1,015	1,208
	Total sales	93,024	89,789
	Operating profit	17,764	12,138
	Segment assets (Mar. 31)	186,177	213,798[1)]
Commercial Business	External sales	11,871	11,690
	Sales with other segments	23	0
	Total sales	11,894	11,690
	Operating profit	1,260	434
	Segment assets (Mar. 31)	4,159	3,337[1)]
Group holding company/ other	External sales	2,595	29,279
	Sales with other segments	0	454
	Total sales	2,595	29,733
	Operating profit	-9,379	644
	Segment assets (Mar. 31)	223,342	345,615[1)]
Reconciliation consolidated financial statements	External sales	0	0
	Sales with other segments	-1,942	-1,724
	Total sales	-1,942	-1,724
	Operating profit	0	0
	Segment assets (Mar. 31)	0	0
Consolidated	External sales	375,940	398,972
	Sales with other segments	0	0
	Total sales	375,940	398,972
	Operating profit	48,625	56,637
	Segment assets (Mar. 31)	1,303,914	1,386,550[1)]

6.3. Reconciliation of segment results to net profit

in € 000s	1/1-3/31/2009	1/1-3/31/2008[1)]
Operating segment profit	48,625	56,637
Investment income	0	1,049
Result from the accounting of associated companies under the equity method	-404	-940
Interest result	-16,068	-13,913
Earnings before taxes, Group	**32,153**	**42,833**

6.4. Reconciliation of segment assets to Group assets

in € 000s	Mar. 31, 2009	Mar. 31, 2008[1)]
Segment assets	1,303,914	1,386,550
Other non-current assets	85,135	87,523
Current assets	996,195	1,053,360
Total assets, Group	**2,385,244**	**2,527,433**

1) Adjusted in accordance with IAS 8 (see "Appendix 1.2.").

7. Additional Information

7.1. Regional sales[1)]

in € 000s	1/1-3/31/2009	1/1-3/31/2008	± % in euro	± % in local currency[2)]
Europe	360,932	386,536	-7%	
• Belgium	26,589	24,836	+7%	
• Bosnia-Herzegovina	9,947	4,508	+121%	+121%
• Bulgaria	1,759	1,674	+5%	+5%
• Denmark	6,231	3,497	+78%	+78%[3)]
• Germany	147,882	146,102	+1%	
• Finland	1,632	2,725	-40%	
• France	17,581	18,051	-3%	
• UK	12,085	34,605	-65%	-59%[4)]
• Ireland	4,901	7,834	-37%[5)]	
• Italy	29,495	27,705	+6%[6)]	
• Macedonia	686	590	+16%	+15%
• Montenegro	1,307	1,846	-29%	
• The Netherlands	9,307	9,958	-7%[7)]	
• Austria	3,495	3,145	+11%	
• Poland	591	156	+278%	+390%
• Portugal	2,299	2,671	-14%	
• Romania	871	879	-1%	+14%
• Russia	36,162	35,057	+3%	+28%
• Sweden	1,046	743	+41%	+65%
• Serbia	16,795	32,691	-49%	-41%
• Slovakia	1,333	1,066	+25%	
• Spain	18,782	16,287	+15%	
• Czech Republic	3,332	1,635	+104%	+122%
• Ukraine	4,157	4,164	0%	+35%
• Rest of Europe	2,667	4,111	-35%	
The Americas	3,004	1,237	+143%	
Asia	10,898	10,852	0%	
• China	609	182	+235%	+182%
• Kazakhstan	1,522	1,427	+7%	+5%
• The Philippines	3,010	2,615	+15%	+14%
• Thailand	610	729	-16%	-19%
• Vietnam	2,214	1,817	+22%	+14%
• Rest of Asia	2,933	4,082	-28%	
Rest of world	1,106	347	+218%	

1) Broken down according to the national market in which the sales were achieved.
2) In some cases, figures were converted into local currency since the invoicing company's reporting currency was euro.
3) Adjusted growth rate of 72% in local currency by taking into account acquisitions of branded products carried out there since then.
4) Adjusted growth rate of -16% in local currency by taking into account the disposal (Forum Products, deconsolidated since August 31, 2008) carried out there since then.
5) Adjusted growth rate of -2% by taking into account the disposal (Forum Products, deconsolidated since August 31, 2008) carried out there since then.
6) Adjusted growth rate of 2% by taking into account acquisition and disposal of branded products carried out there since then.
7) Adjusted growth rate of 0% by taking into account commercial business abandoned there since then.