



INVESTOR CALL RESULTS OF THE FISCAL YEAR 2013/14

Mannheim, 16th May 2014

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CEO

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CFO

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AGENDA

Overview

Fiscal Year 2013/14

Oliver Windholz (CEO)



Group Financials

Fiscal Year 2013/14

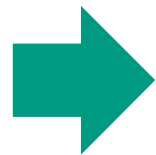
Helmut Fischer (CFO)



Questions & Answers

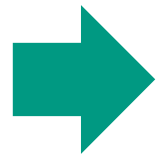


Highlights of PHOENIX group's business year 2013/14



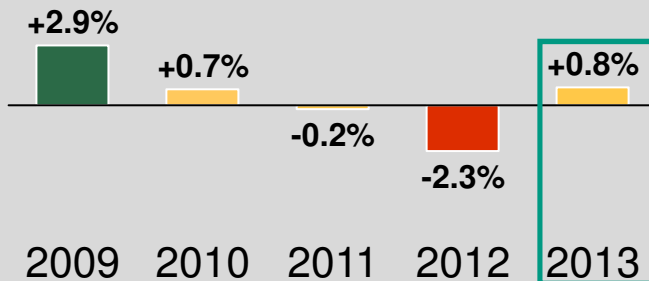
PHOENIX group has strengthened its leading market position in Europe

- ✓ Top-line significantly increased despite weak market growth in Europe
- ✓ Total expenses are stable despite strong turnover increase
- ✓ Profit suffers from one-time costs, currency impacts and market situation in Germany
- ✓ Cash generation still on a high level.
- ✓ Optimization program PHOENIX *FORWARD* is on track
- ✓ Capital structure further strengthened



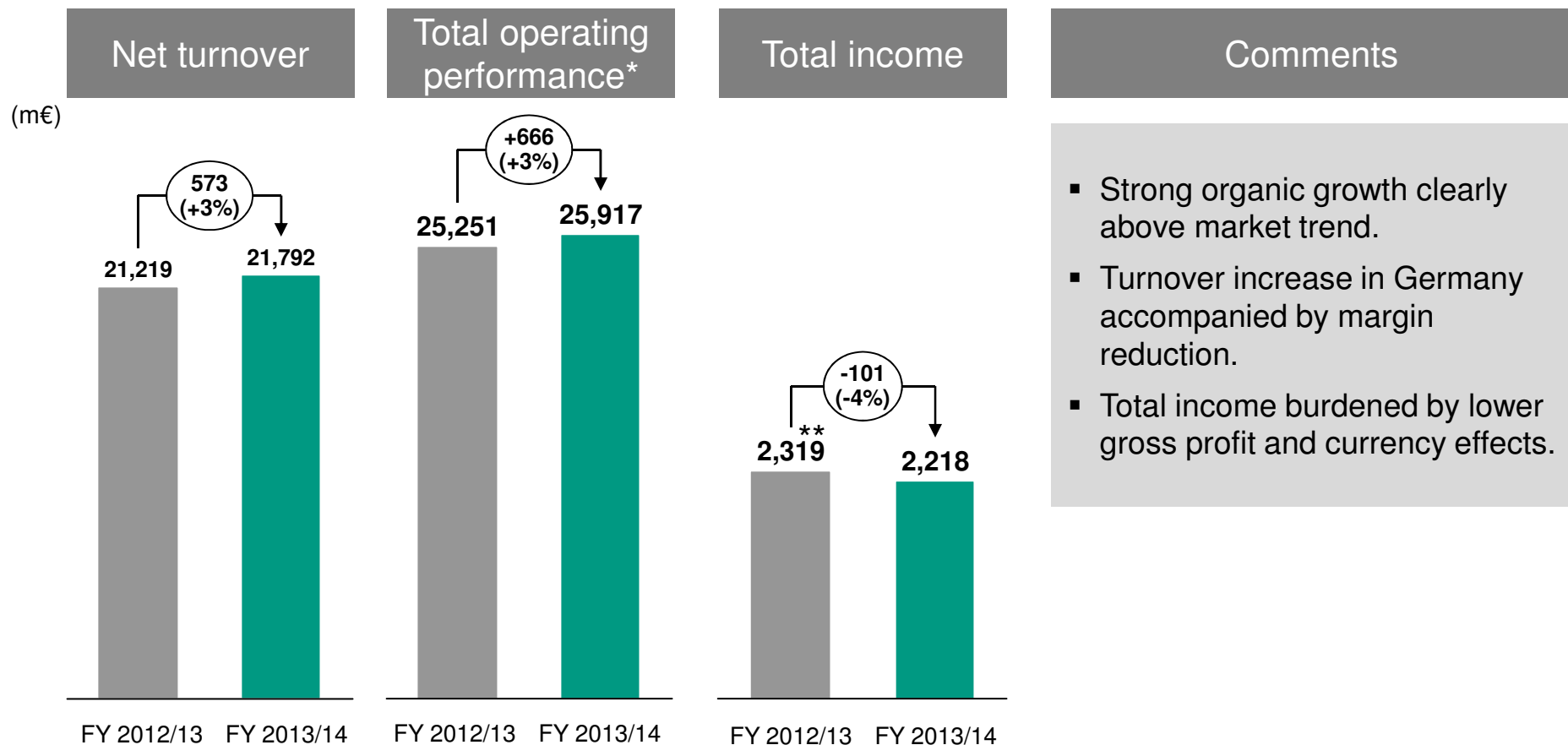
Market situation in Europe slightly improved, but still challenging

European Pharma Market Growth*



- The German market is a growth driver within Europe with a growth rate of **+4.5%***
- Excluding Germany, the growth rate in the European market is **-0.5%***
- PHOENIX benefits from its good footprint in smaller growth markets and is not active in European “crisis markets”

PHOENIX group shows a solid top-line increase, while total income is below last year's level

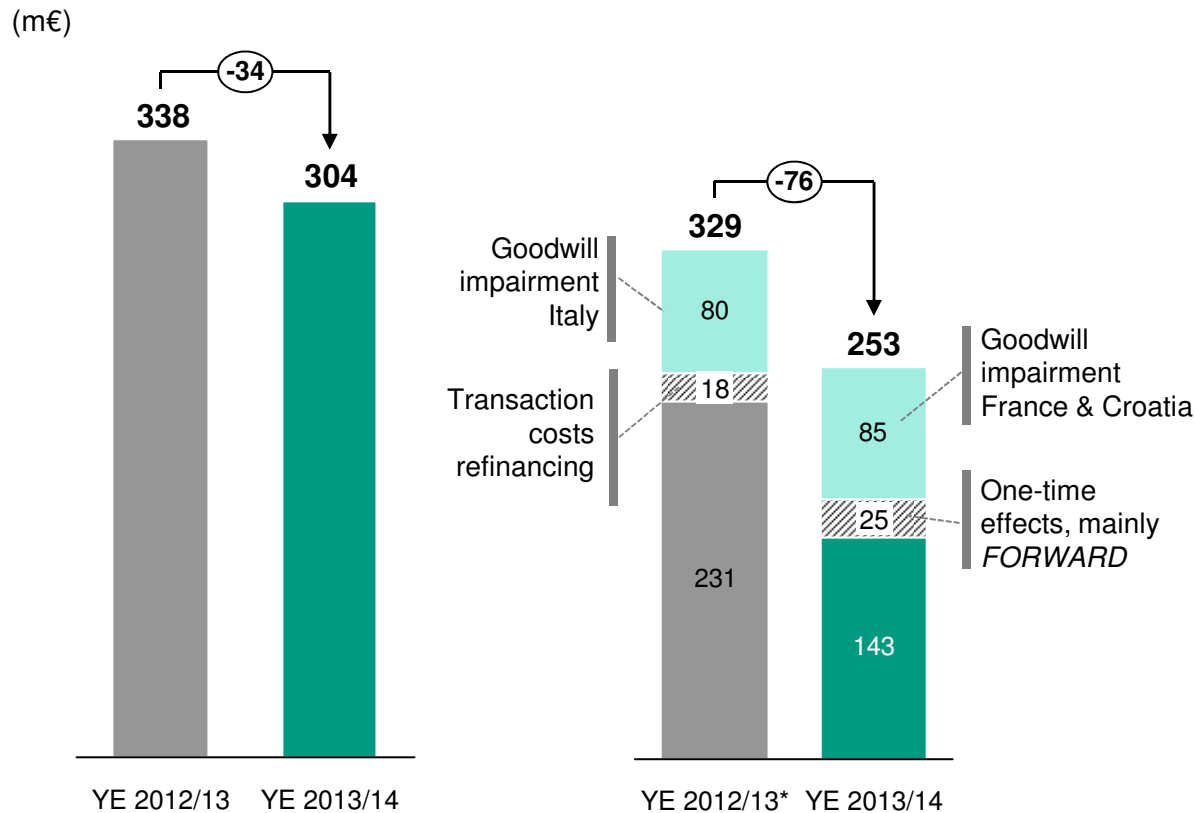


* Non-IFRS measure; includes net turnover and handled volume (goods distributed under fee-for-service agreements)

** Total income restated for 2012/13 due to the netting of income related to bad debt provisions and operative exchange rate gains with the corresponding expenses

While cash generation is still on a very high level, profit before tax has decreased

Free Cash Flow	Adjusted Profit before Tax**	Comments
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- **Free Cash Flow** consistently high above 300 m€.
- **Profit before Tax** burdened by
 - gross profit decrease Germany
 - goodwill impairments
 - restructuring costs
 - currency effects

↓

The steady cash generation demonstrates the stability of PHOENIX' business model.

* Prior year restated due to amendments to IAS 19R

** Adjusted for impairment losses on goodwill, effects from sale of financial assets, one-off effects related to the refinancing measures in 2012 and expenditures associated with the PHOENIX FORWARD optimization program.

The PHOENIX group Executive Board

- Broad experience in pharmaceutical trading and industry
- Deeply rooted within PHOENIX
- Complementary skills and know-how



Oliver Windholz
Chief Executive Officer

- Joined PHOENIX in 2011 as Board Member Sales/Marketing
- CEO ratiopharm group (2008-2010)
- Managing director of several business units within HeidelbergCement (2001-2008)



Helmut Fischer
Finance

- Joined PHOENIX in 2013
- CFO HeidelbergCement North America (2010-2013)
- Several management positions within HeidelbergCement (2001-2010)



Frank Große-Natrop
Operations/Logistics

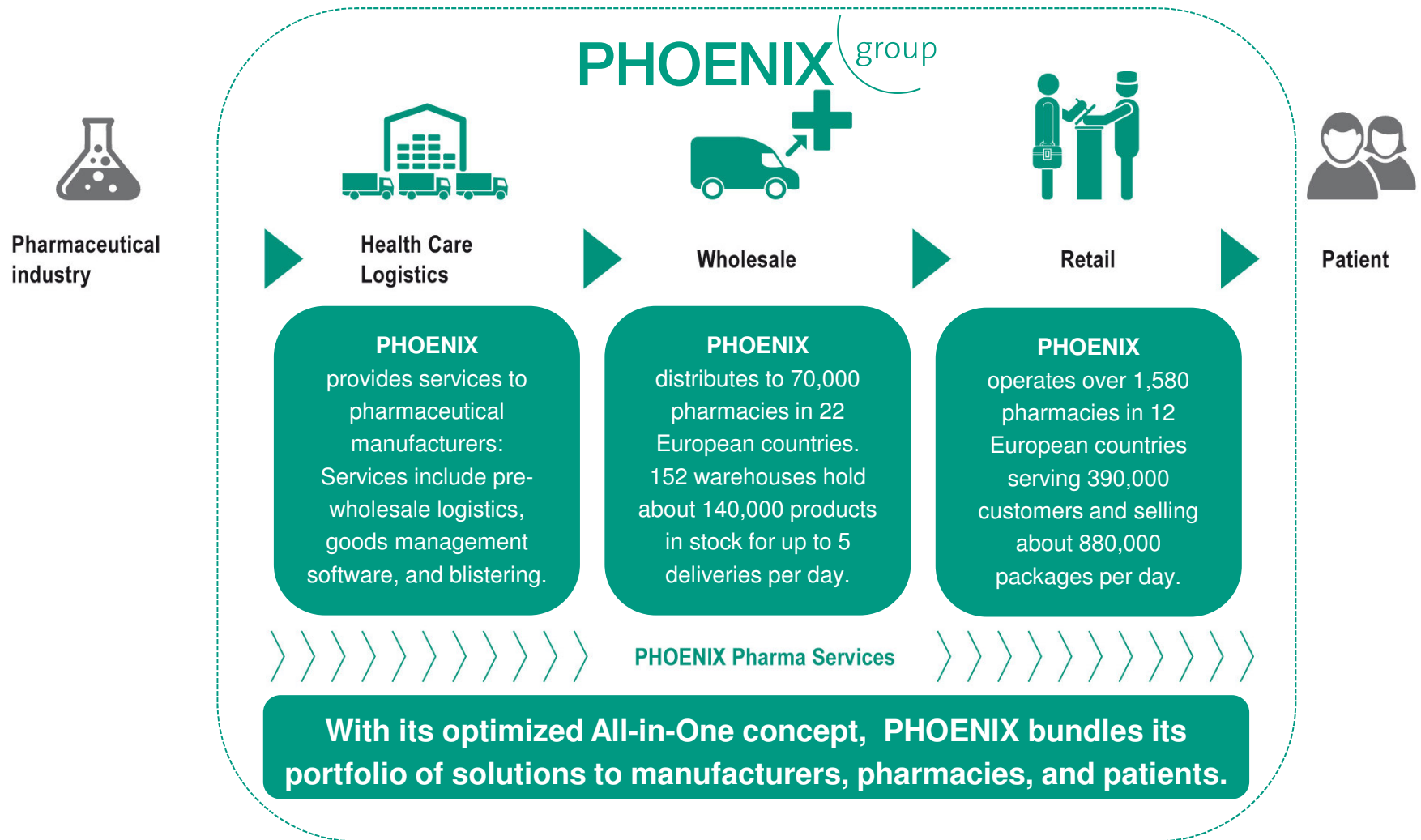
- Joined PHOENIX in 1994
- Group Logistics Director and Managing Director PHOENIX Netherlands (Broceaf Groep) (2000-2013)
- Operations Manager for several distribution centers in Germany (1994-2000)



Stefan Herfeld
Retail

- Joined PHOENIX in 2010
- Board member of Douglas perfumeries and general manager for CEE (2001-2010)
- Several management positions within Metro Group (1996-2001)

PHOENIX provides the infrastructure and expertise that is needed to integrate the entire value chain



PHOENIX wholesale activities with unrivalled geographic coverage and strong presence

- Market leader in 10 countries, among the top 3 in 20 countries
- 152 wholesale and pre-wholesale distribution centers in 25 countries
- Broad market coverage in continental Europe
- Leading market position in the Nordic countries
- Strong presence in Eastern Europe

- PHOENIX with no. 1 market position
 - PHOENIX with no. 2 or no. 3 market position
 - PHOENIX with lesser market position
- Effective as of 31/01/2014

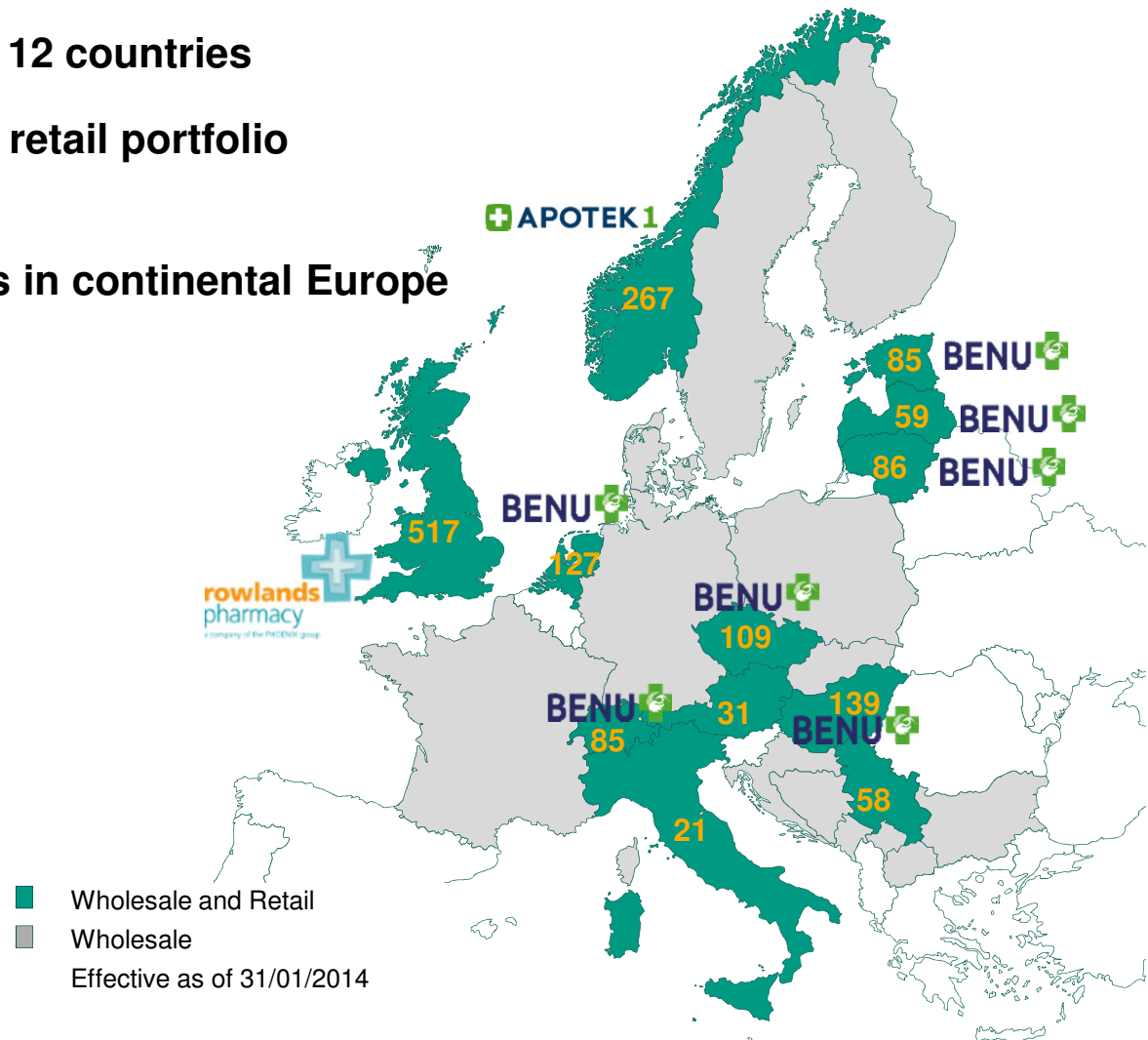


Excellent market position in retail business

- More than **1.580 pharmacies** in **12 countries**
- **Broadest and most diversified retail portfolio** of all pan-European players
- **Highest number of pharmacies in continental Europe** of all pan-European players
- **BENU is one of the leading pharmacy brands** in Europe

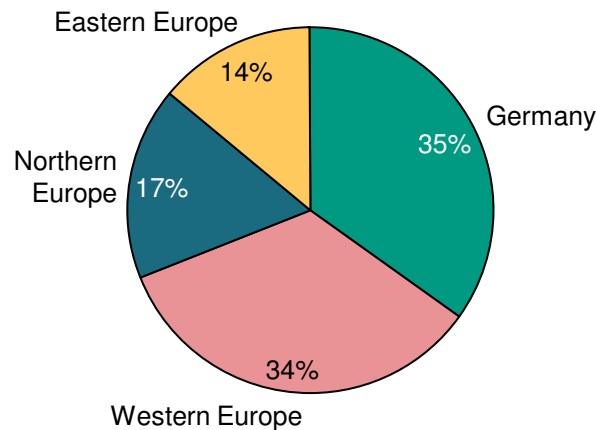
Highlights 2013/14

- **Ongoing portfolio optimization:**
30 closures, 36 disposals,
84 acquisitions, 16 openings
- **Retail market entry in Serbia:**
With 58 pharmacies, PHOENIX is
already among the top 3

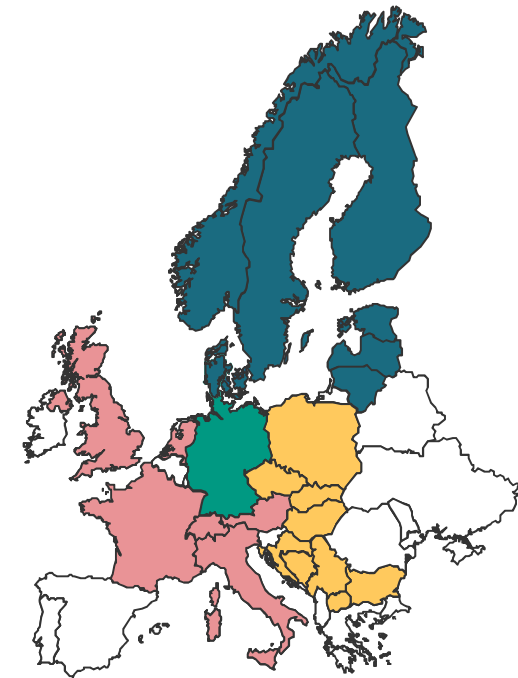
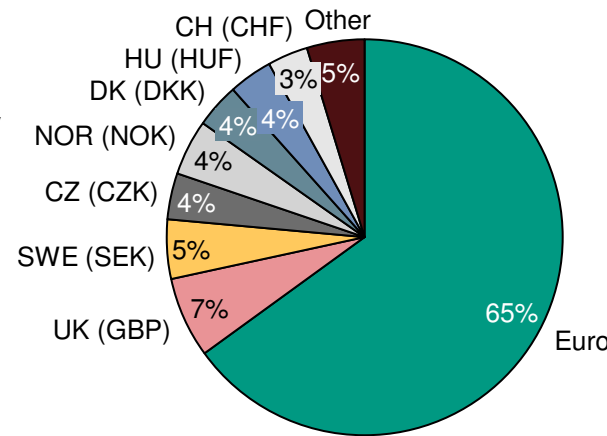


Well-balanced and stable country portfolio of PHOENIX group allows to mitigate risks

Net turnover per region



Currency split net turnover



Germany

- Number 1 market position in wholesale
- 24 sales & distribution centres*
- Wholesale turnover: 100%

Western Europe

- 781 pharmacies
- 79 sales & distribution centres*
- Wholesale turnover: 86%

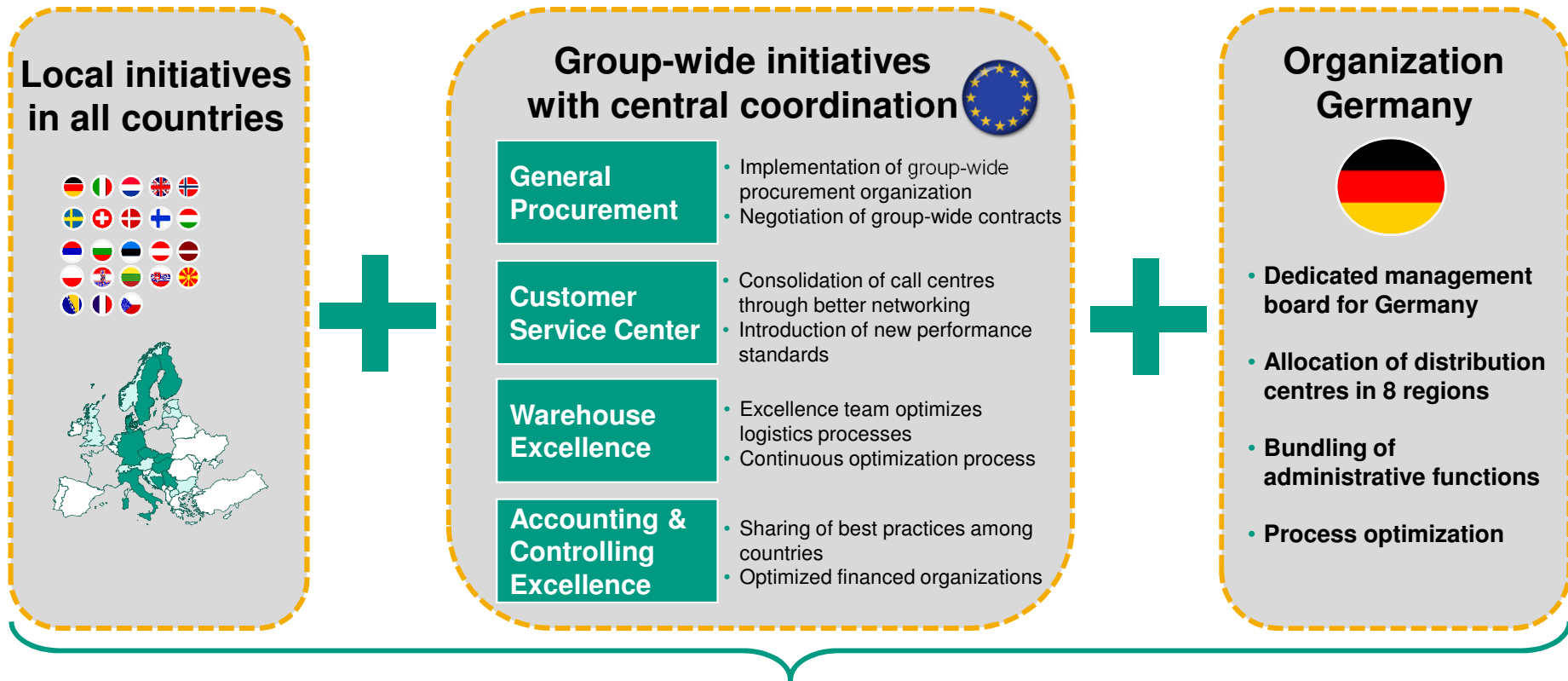
Northern Europe

- 497 pharmacies
- 18 sales & distribution centres*
- Wholesale turnover: 72%

Eastern Europe

- 308 pharmacies
- 31 sales & distribution centres*
- Wholesale turnover: 90%

PHOENIX FORWARD will remain a key project for the next two years



All countries, all entities and all functions are working together to bring PHOENIX FORWARD



- Sustainable savings* of at least **100 m€** as of FY 2015/16
- Optimization of processes and organization
- Guiding principle is *“Evolution instead of Revolution”*

AGENDA

Overview

Fiscal Year 2013/14

Oliver Windholz (CEO)



Group Financials

Fiscal Year 2013/14

Helmut Fischer (CFO)



Questions & Answers



PHOENIX is able to grow in terms of net turnover, but the challenging market environment puts pressure on the results

Profit & Loss	FY 2012/13 *		FY 2013/14		Delta	
	in m€	%	in m€	%	in m€	%
Net turnover	21,218.7	100%	21,792.4	100%	573.7	2.7%
Gross profit	2,189.8	10.3%	2,077.5	9.5%	-112.3	-5.1%
Personnel expenses	-1,079.9	-5.1%	-1,076.1	-4.9%	3.8	-0.4%
Other op. income, op. expenses	-556.3	-2.6%	-560.9	-2.6%	-4.6	0.8%
EBITDA	553.6	2.6%	440.5	2.0%	-113.1	-20.4%
Depreciations	-186.2	-0.9%	-192.0	-0.9%	-5.8	3.1%
Financial result	-136.7	-0.6%	-105.3	-0.5%	31.4	-22.9%
Profit before tax	230.7	1.1%	143.1	0.7%	-87.6	-38.0%
Adjusted profit before tax**	329.2	1.6%	253.1	1.2%	-76.1	-23.1%
Income taxes total	-71.2	-0.3%	-73.1	-0.3%	-1.9	2.6%
Profit for the period	159.5	0.8%	70.0	0.3%	-89.5	-56.1%

* Prior year restated due to amendments to IAS 19R

** Adjusted for impairment losses on goodwill, effects from sale of financial assets, one-off effects related to the refinancing measures in 2012 and expenditures associated with the PHOENIX FORWARD optimization program.

PHOENIX group improves the financial result, once more

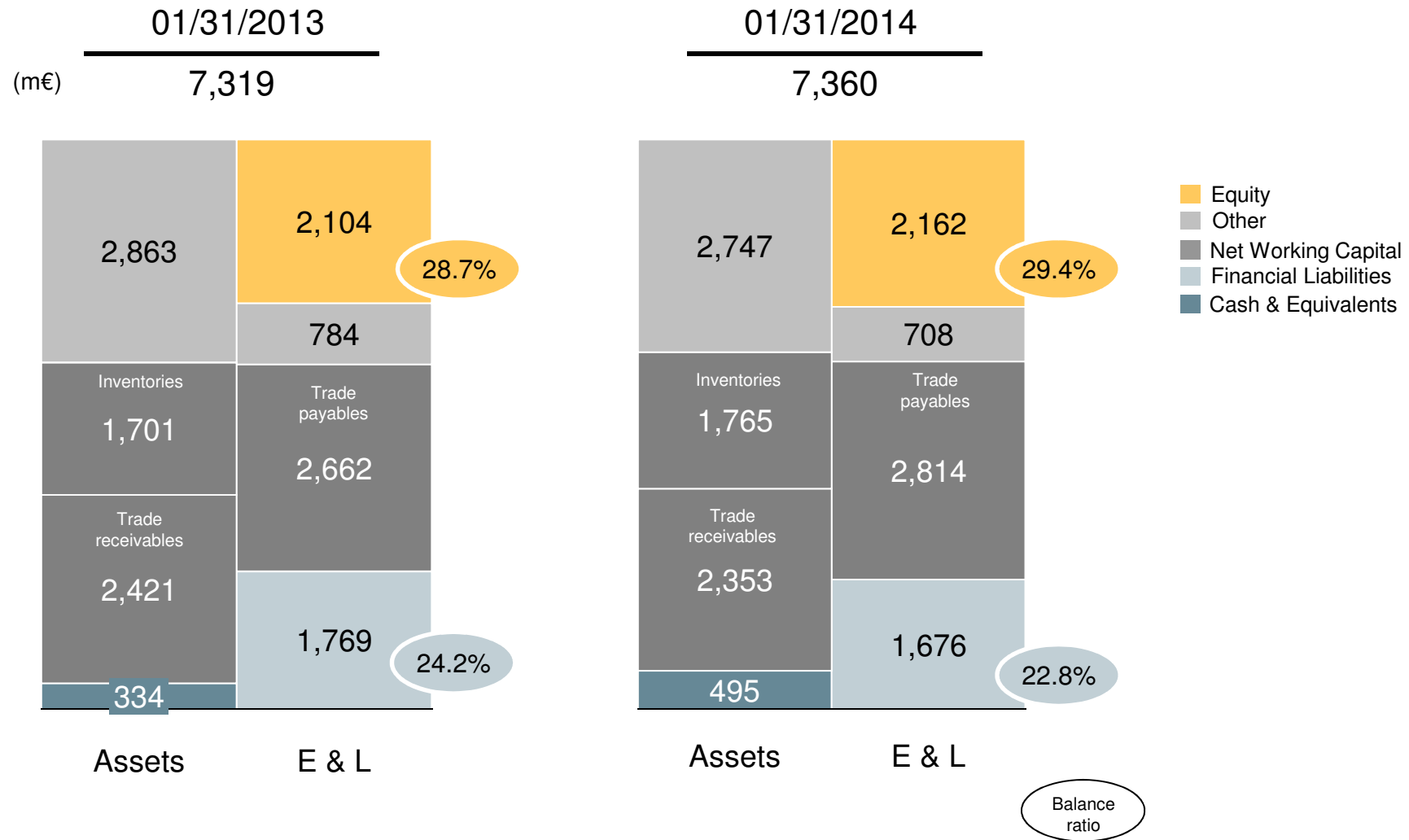
Financial result (in m€)	FY 2012/13**	FY 2013/14	Delta
Interest income	26.1	22.5	-3.6
Interest expenses	-147.7	-134.0	13.7
Interest result	-121.6	-111.5	10.1
Dissolution of transaction costs due to premature refinancing	-18.4	0.0	18.4
Other net financial result*	3.3	6.2	2.9
Financial result	-136.7	-105.3	31.4

* Other net financial result comprises

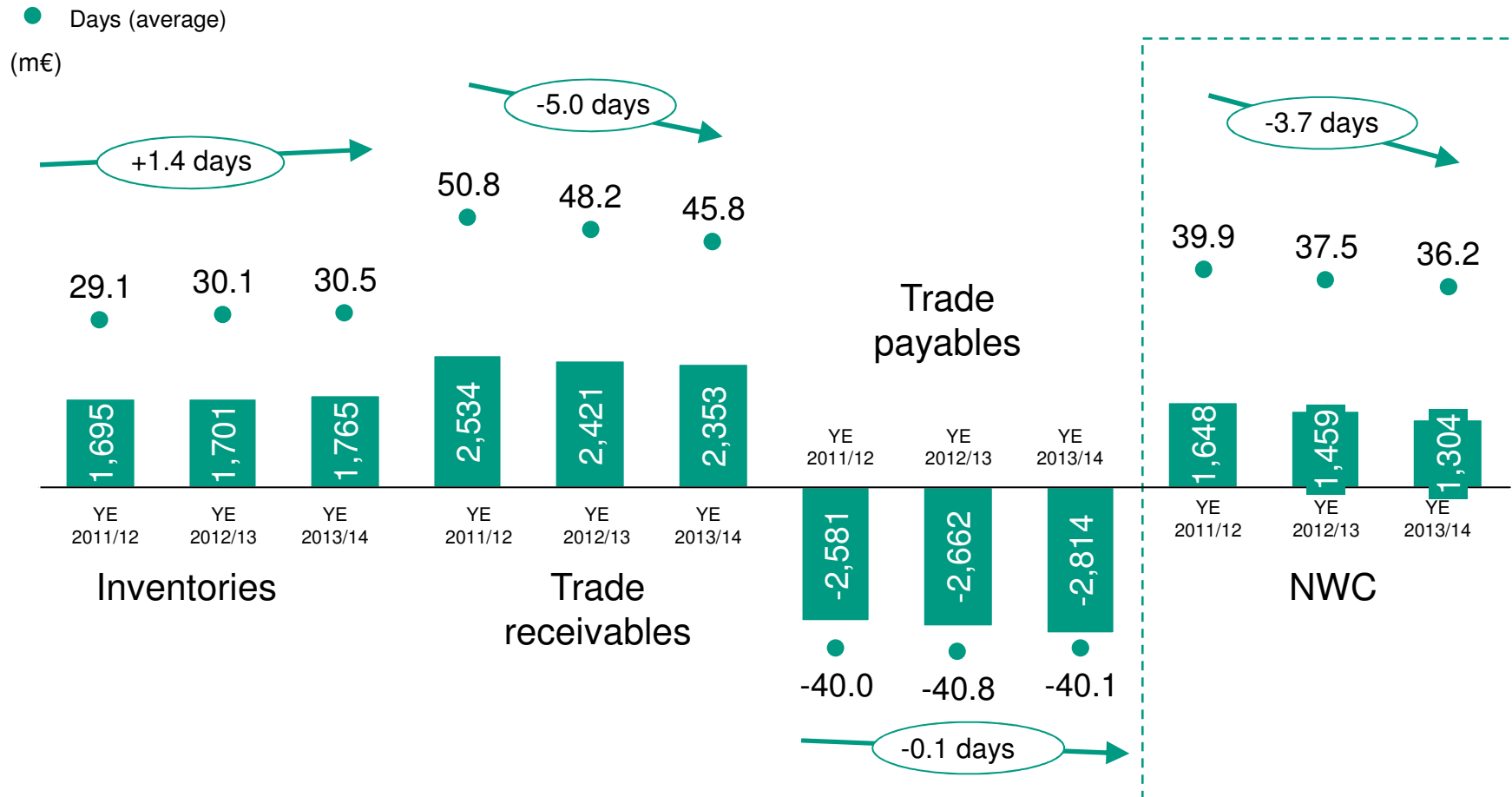
- “other financial income and expenses“,
- “financial income and expenses from derivatives“
- “exchange rate gains and losses“ related to the financial result

** Prior year restated due to amendments to IAS 19R

PHOENIX continues its committed path of strengthening its balance sheet

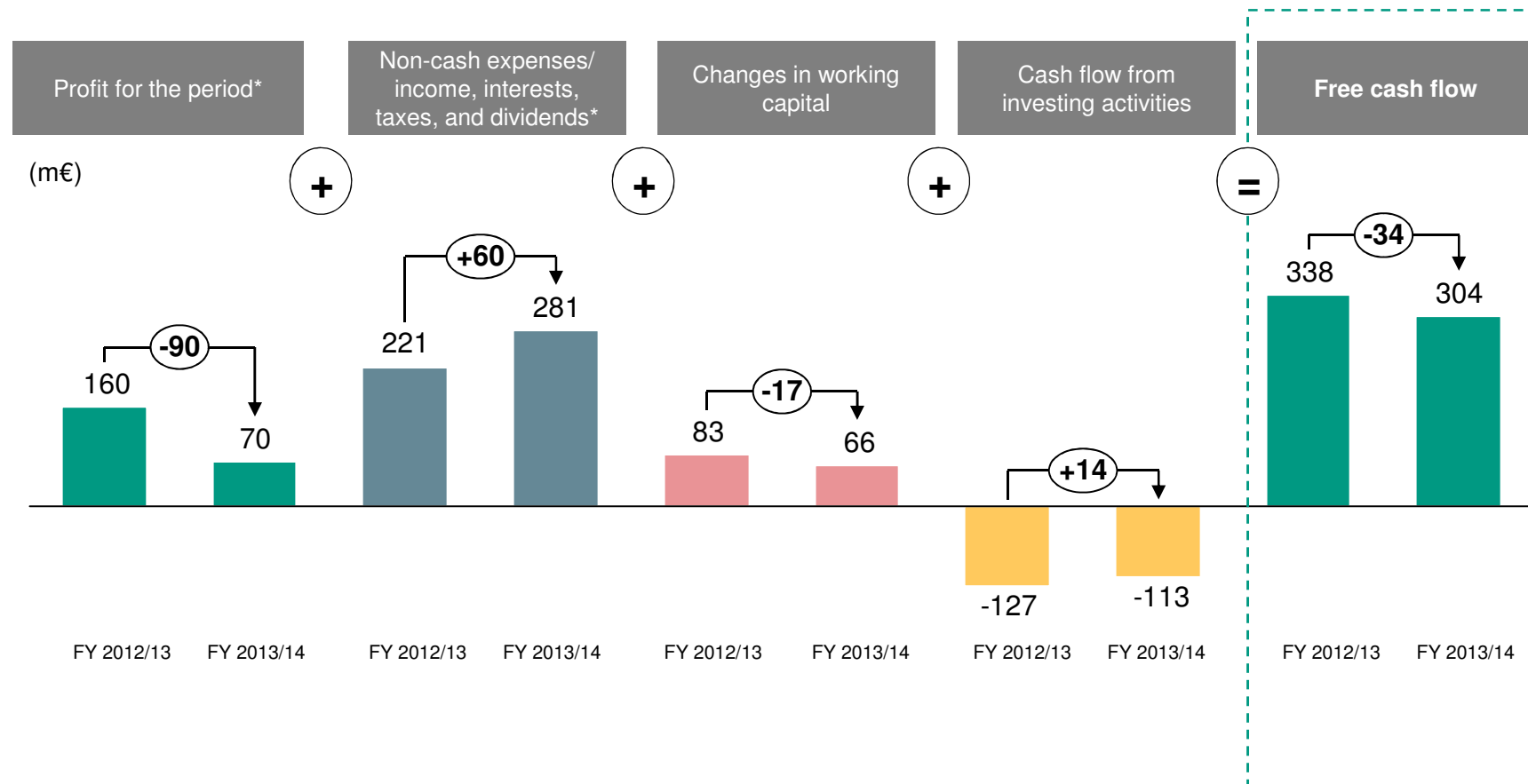


The active management of net working capital shows significant improvements



- Balance sheet figures as externally reported
- Net working capital days: Average figures for the respective period; figures including ABS/factoring; may include rounding differences

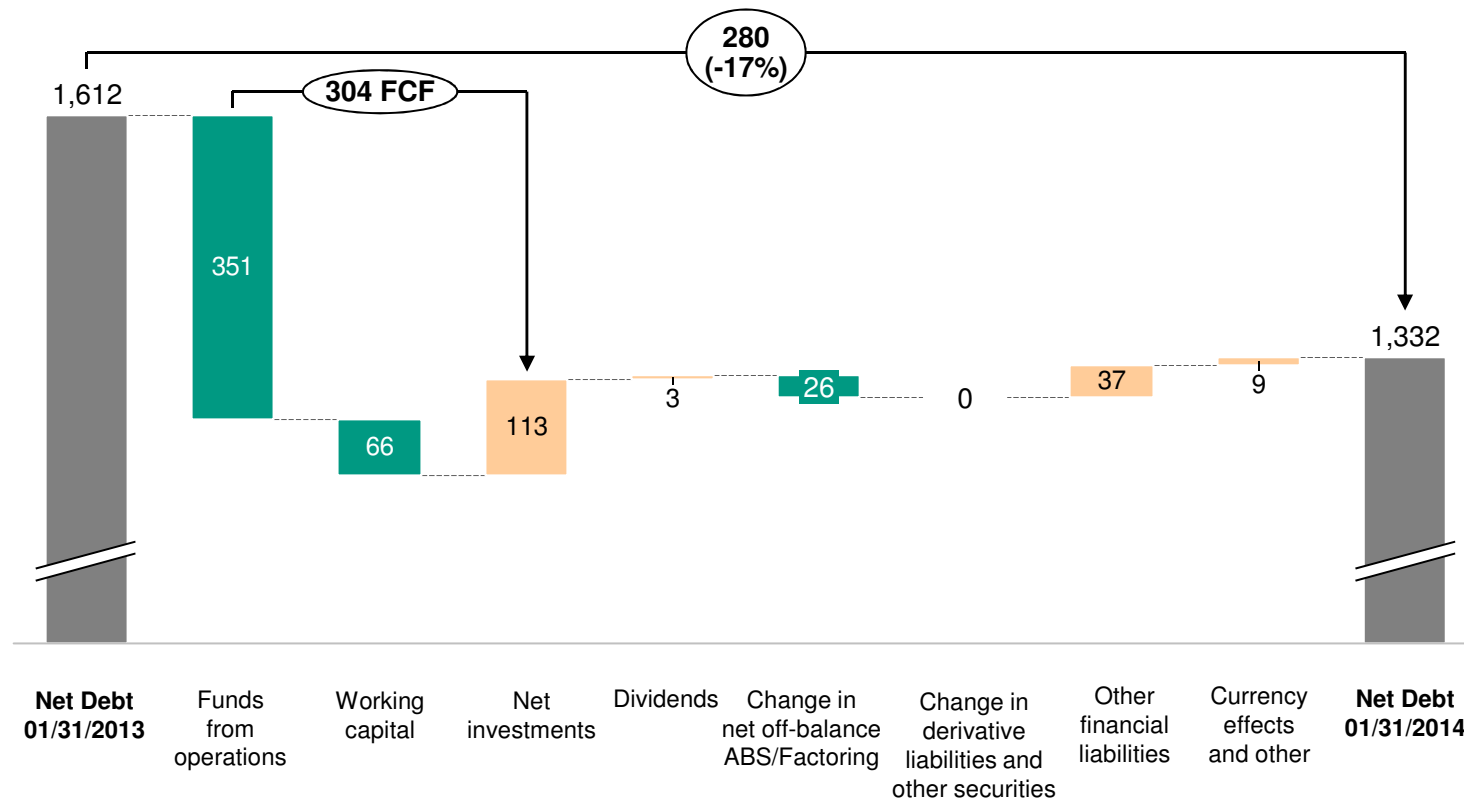
Stable free cash flow development



* Prior year restated due to amendments to IAS 19R

Significant net debt improvement from YE 2012/13 to YE 2013/14

(m€)

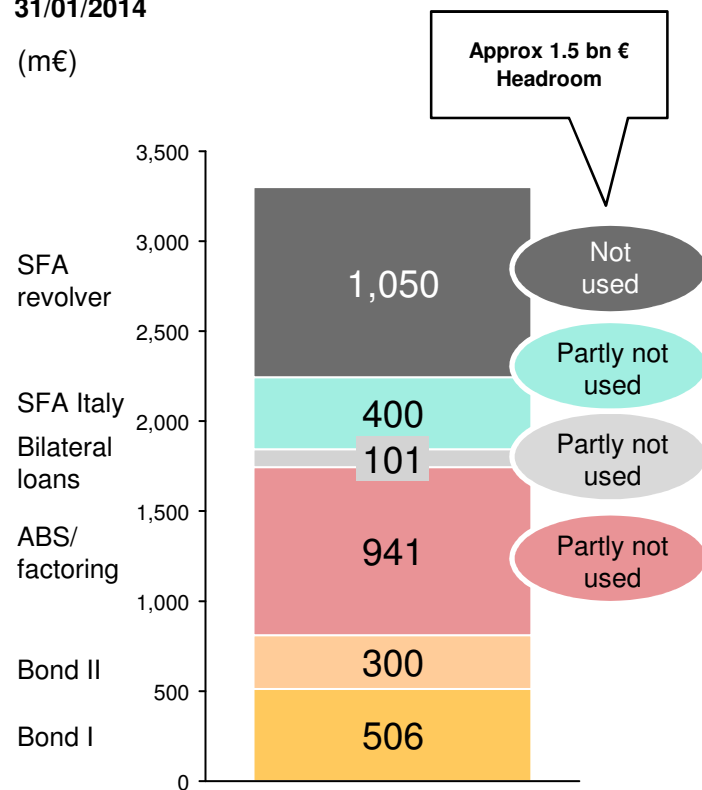


The amendment and extension of the SFA improves the maturity profile

Financial facilities and headroom

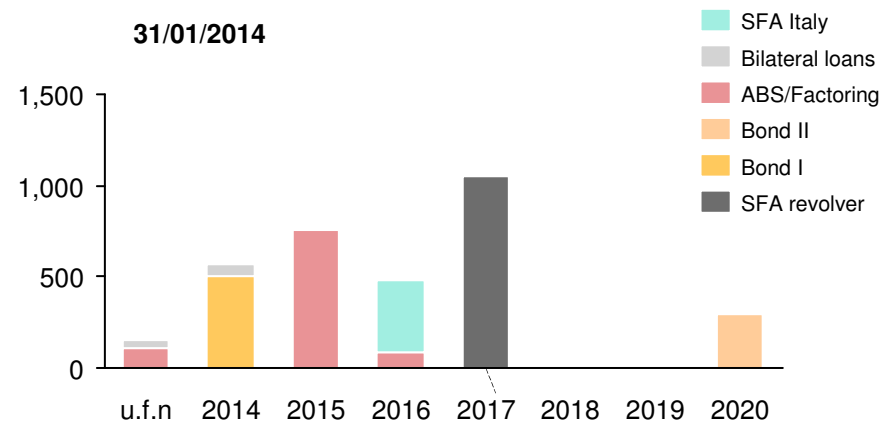
31/01/2014

(m€)

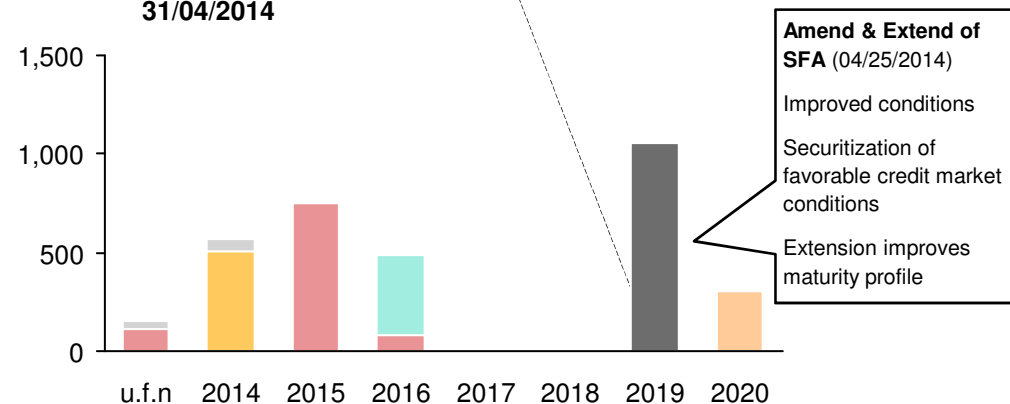


Debt maturity profile

31/01/2014



31/04/2014



Summary: Development of key credit indicators

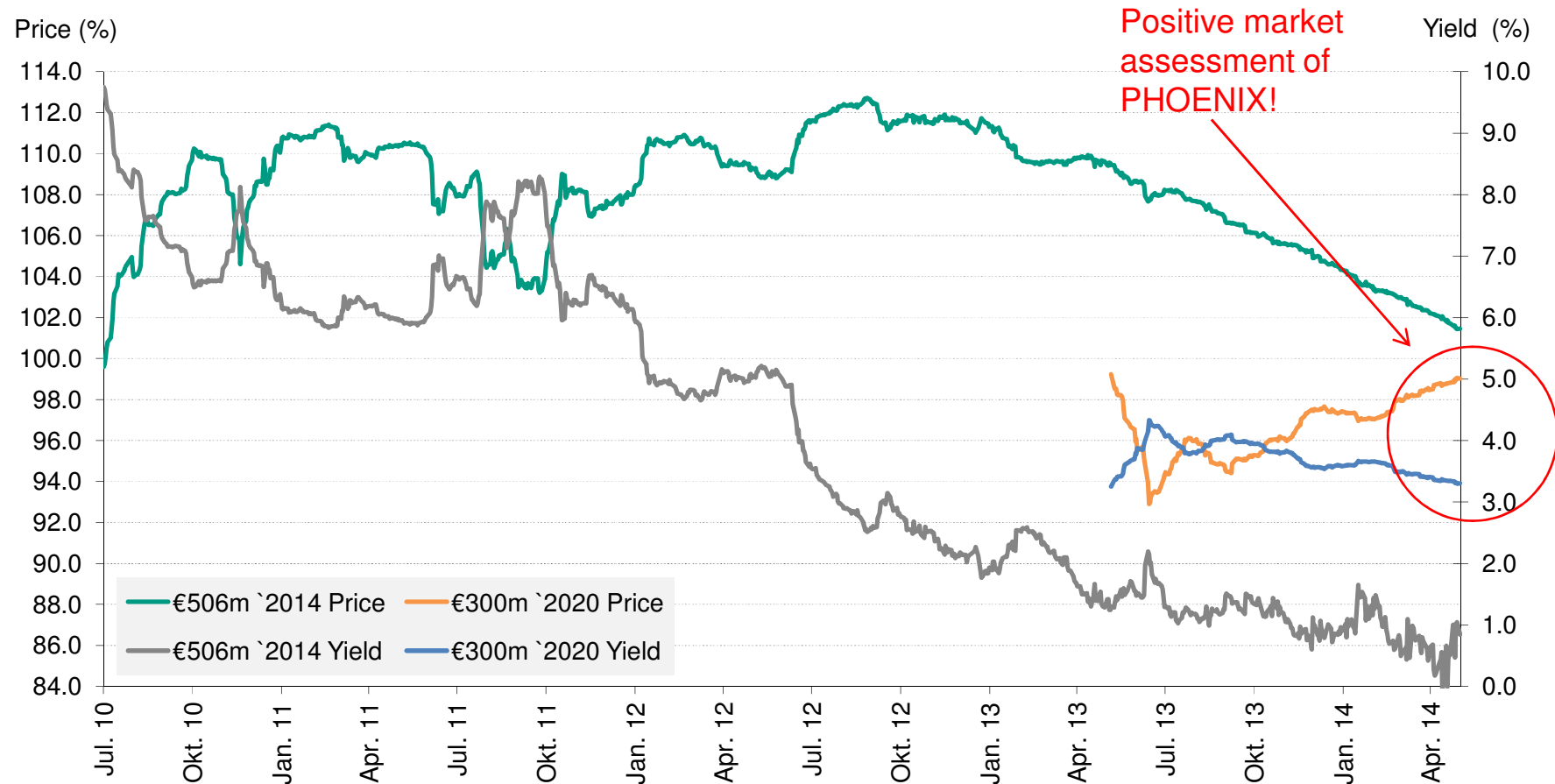
	01/31/2013	01/31/2014	Delta
Equity (in m€)	2,103.8	2,161.8	2.8%
Equity ratio	28.7%	29.4%	+0.7pp
Net debt (in m€)	1,611.5	1,331.6	-17.4%
Gearing (Net debt/equity)	76.6%	61.6%	-15.0pp
	FY 2012/13**	FY 2013/14	Delta
EBITDA (in m€)	553.6	440.5	-20.4%
EBITDA-margin	2.6%	2.0%	-0.6pp
Adjusted EBITDA (in m€)	576.9	461.0	-20.1%
Adj.-EBITDA-margin	2.7%	2.1%	-0.6pp
Net debt / adjusted EBITDA (LTM)	2.79	2.89	3.6%
Interest coverage ratio (EBIT / Interest Expenses)*	2.5	1.9	-25.5%
Profit before tax (in m€)	230.7	143.1	-38.0%
PBT-margin	1.1%	0.7%	-0.4pp
Adjusted profit before tax (in m€)***	329.2	253.1	-23.1%
Adjusted PBT-Margin	1.6%	1.2%	-0.4pp

* Interest expenses excluding FX-effects and other financial expenses

** PY adjusted for reclassifications and due to the first-time adoption of IAS 19R

*** Adjusted for impairment losses on goodwill, effects from sale of financial assets, one-off effects related to the refinancing measures in 2012 and expenditures associated with the PHOENIX FORWARD optimization program.

Developments of PHOENIX' bonds



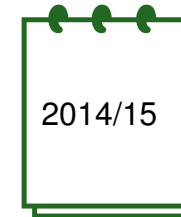
Source: Bloomberg, 05/12/2014

Financial outlook of PHOENIX group for the fiscal year 2014/15:

- We expect a stable macroeconomic environment in 2014 and the pharmaceutical markets in Europe to record market growth of around 1 % in 2014/15, but healthcare measures in different countries will have a dampening effect on growth.
- For the fiscal year 2014/15, the PHOENIX group expects to further expand its market position in Europe through organic growth and selective acquisitions and thereby increase revenue slightly above the level of growth on the European pharmaceutical markets.
- With regard to adjusted EBITDA, a slight increase is expected that will probably be higher than revenue growth on a percentage basis. An increase in total income as well as cost savings from the PHOENIX FORWARD program will contribute to this.

Financial calendar 2014/15

Reporting Event	Date
Results of the 1 st quarter 2014/15	Tuesday, 06/17/2014
Results of the 1 st half-year 2014/15	Friday, 09/26/2014
Results of the 3 rd quarter 2014/15	Thursday, 12/18/2014



PHOENIX group