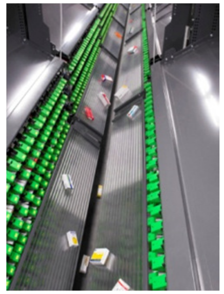
PHOENIX group

Results
Fiscal Year 2011/12

Investor Call
Mannheim, 14th May 2012



PHOENIX group

Reimund Pohl / Dr. Michael Majerus
CEO / CFO

Disclaimer

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Agenda

PHOENIX group

Highlights of the Fiscal Year 2011/12

Reimund Pohl
CEO

Group Financials Fiscal Year 2011/12

Dr. Michael Majerus
CFO

Questions & Answers

Highlights of PHOENIX group's business year 2011/12

PHOENIX group

PHOENIX's development during business year 2011/12 was positive

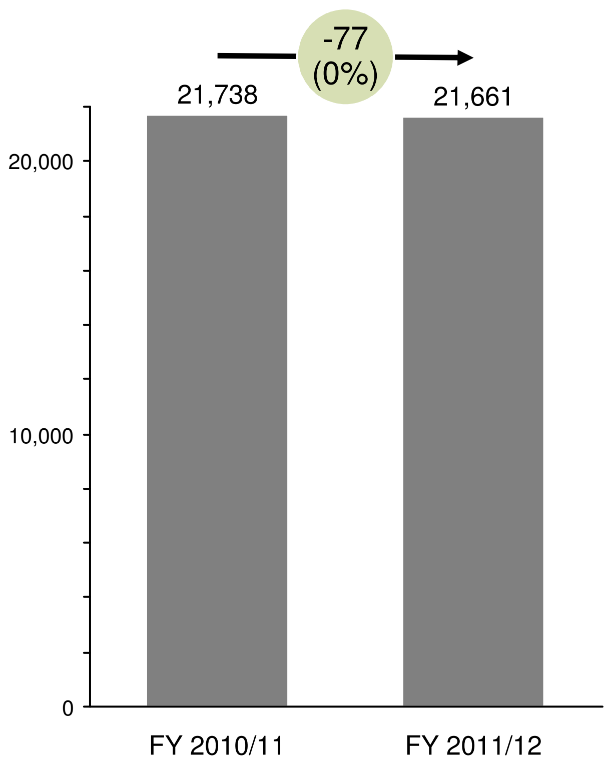
- Stable development of net turnover
- Significant improvement in profit after tax
- Optimized and solid financial structure
- Further reduction of the group's indebtedness
- Strengthened balance sheet

PHOENIX did well in a challenging and difficult market environment

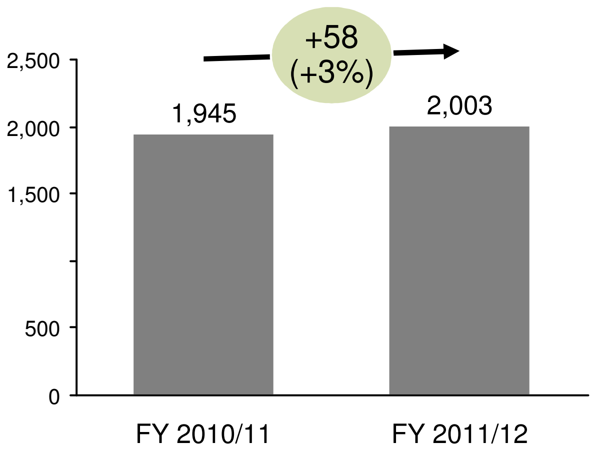
PHOENIX was able to set itself apart from the general trend of the sector

Despite increasing market pressure, PHOENIX shows a stable revenue and growth in gross profit

Revenue



Gross Profit

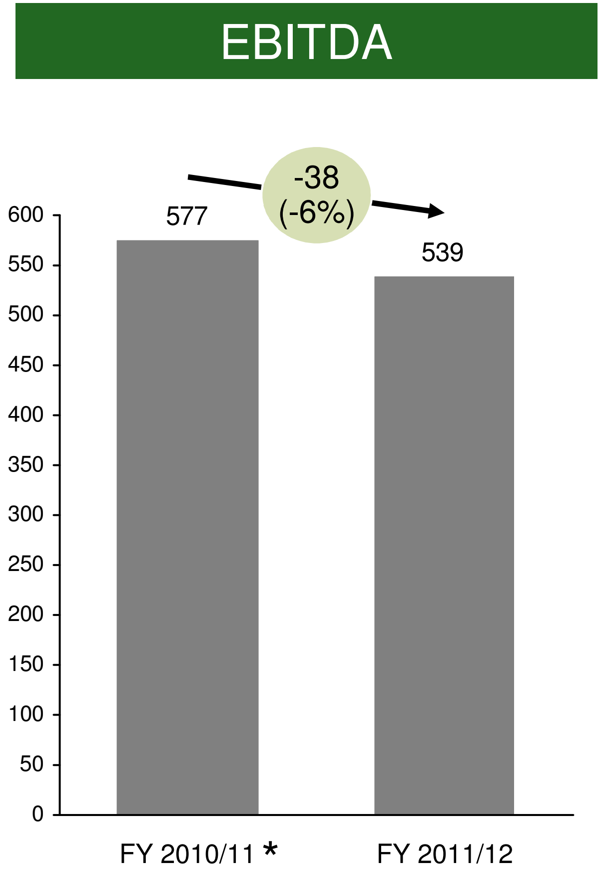


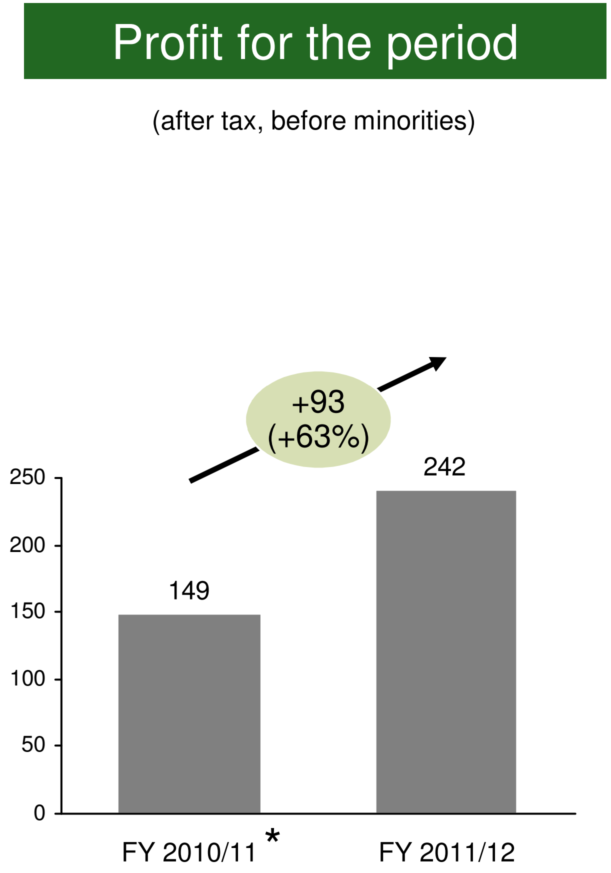
- PHOENIX shows a **stable revenue development** – once more, PHOENIX group confirmed its position as leading pharmaceutical distributor in Europe
- **Gross profit and gross margin improved** as a result of the margin-oriented sales policy, additional higher-margin revenue, and the increasing share of retail business, especially through the inclusion of the Lloyds pharmacies in the Netherlands

(mEUR)

Year-over-year development of profit for the period confirms the group's solid position

PHOENIX group





- The **EBITDA** decrease is mainly influenced by a positive one-time effect from the reduction of pension obligations in the previous year (+19,2 mEUR in 2010/11) as well as increased personnel cost and other cost in 2011/12, mainly due to first time full consolidation of the JV in the Netherlands and acquisitions in Italy
- **Profit for the period** is driven by the further improvement in the financial result, mainly due to the reduced debt level and the better financing conditions, as well as improved tax ratio

(mEUR)

* Prior-year figures were restated due to first-time adoption of IAS 19.93A

Wholesale market: PHOENIX has a diversified country portfolio with top market positions

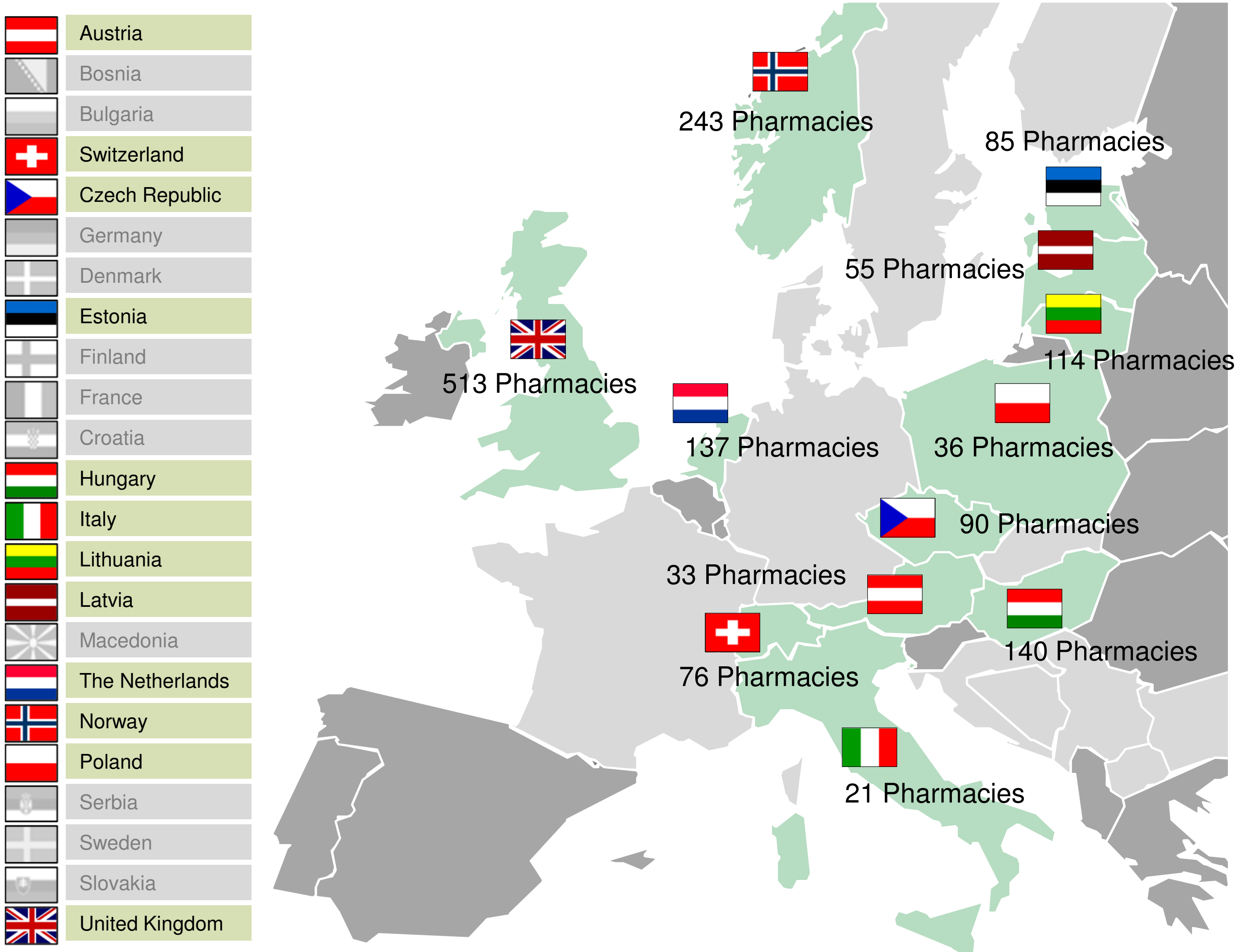
PHOENIX group

- ✓ About 150 wholesale and pre-wholesale sites in 23 countries across Europe
- ✓ European market leader
- ✓ Best-in-class market coverage in Eastern Europe
- ✓ PHOENIX with #1 market positions in 11 countries (Germany, Italy, Czech Republic, Hungary, Slovakia, Serbia, Bosnia, Bulgaria, Denmark, Finland and Sweden)

- Austria
- Bosnia
- Bulgaria
- Switzerland
- Czech Republic
- Germany
- Denmark
- Estonia
- Finland
- France
- Croatia
- Hungary
- Italy
- Lithuania
- Latvia
- Macedonia
- The Netherlands
- Norway
- Poland
- Serbia
- Sweden
- Slovakia
- United Kingdom

PHOENIX with #1 market position
PHOENIX with #2 or #3 market position
PHOENIX with lower market position

Retail market: PHOENIX optimizes its pharmacy portfolio through selected M&A transactions



- ✓ As per January 31, 2012, PHOENIX operates 1,547 pharmacies in 13 countries; this number includes a total of 4 pharmacies held for sale in Slovakia
- ✓ Outside UK, PHOENIX group has the largest number of pharmacies within Europe
- ✓ As planned, PHOENIX successfully sold its unprofitable minor retail activities in Sweden (2010) as well as in Croatia (2011)
- ✓ Also in 2010, PHOENIX and Celesio joined forces in the Netherlands in order to optimize the market position

The country portfolio of PHOENIX group opens growth opportunities and allows to mitigate risks

PHOENIX group

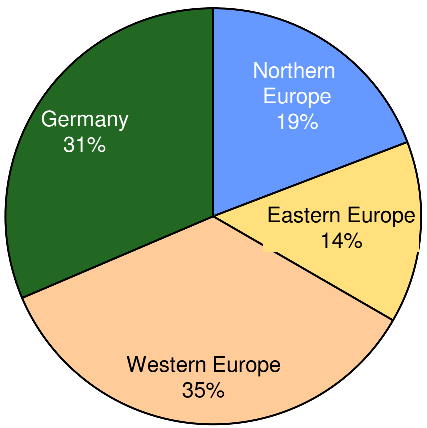
Germany
- Number 1 market position in wholesale
- 21 sales & distribution centres

Northern Europe
- 533 pharmacies
- 19 sales & distribution centres

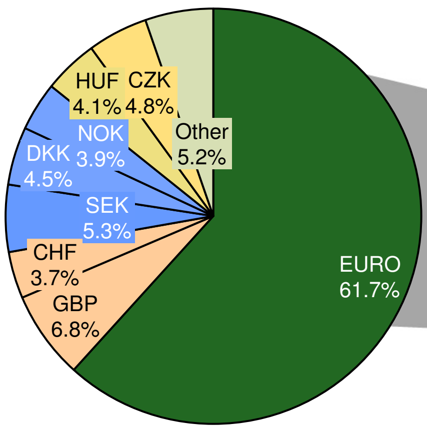
Western Europe
- 780 pharmacies
- 73 sales & distribution centres

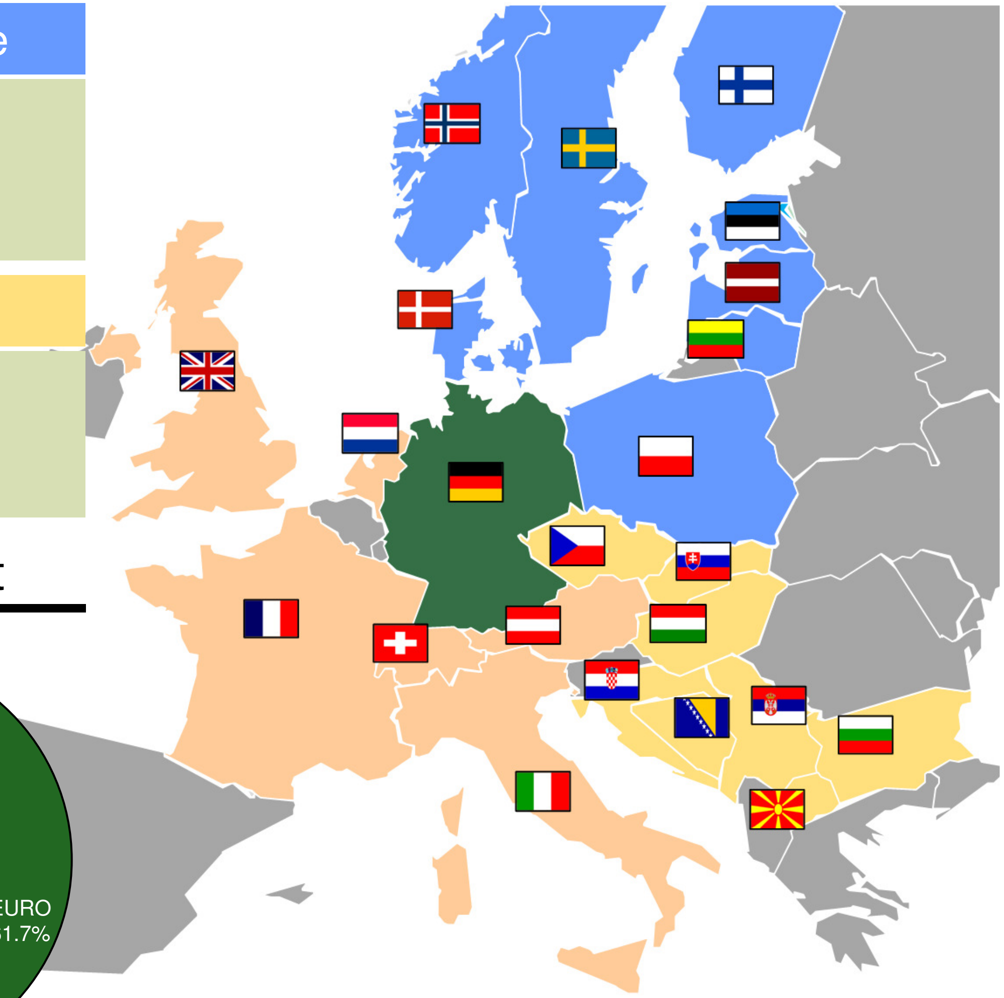
Eastern Europe
- 234 pharmacies
- 33 sales & distribution centres

Revenue split



Currency split

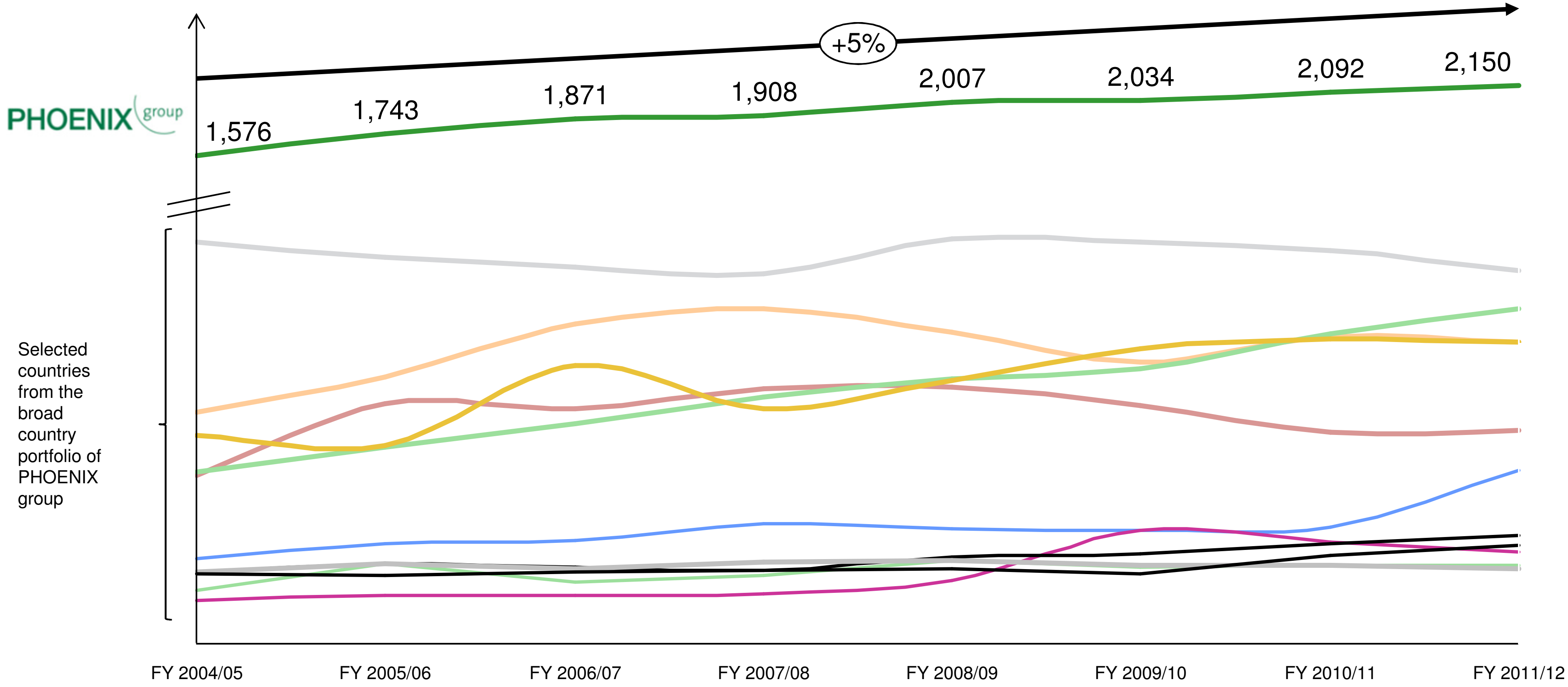




Balancing effect of the country portfolio: Development of total income by group and selected countries

Total Income

(mEUR)



Different scales are used in order to be able to show PHOENIX group and selected countries in one single graph

Accounting according to German GAAP until FY 2007/08; starting from FY 2008/09 according to IFRS

Germany as an example: The AMNOG legislation and its consequences

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Business year 2011/12

Legislation/regulation:
- Interim period January – December 2011
  - Continuation of the existing wholesalers' remuneration scheme
  - An overall wholesale rebate of 0.85% on all prescription drugs was imposed
- **On the level of the pharmaceutical wholesalers in Germany, a total savings effect of 200 mEUR was to be realized** (following the regulation motivation)

Actions and effects with PHOENIX:
- PHOENIX strived to counterbalance the negative effects resulting from the imposed savings through various measures in the field of sales and operations
- In the business year 2011/12, PHOENIX was partially successful in doing so
- During 2011/12, PHOENIX has worked on a new condition system for 2012 and communicated the new systems into the German market as the first player

Business year 2012/13

Legislation/regulation:
- New margin scheme starting January 2012
  - Flat margin (3.15%), in addition fixed remuneration component of 0.70 EUR per package
  - Total remuneration capped at 38.50 EUR
- **"Continuation" of the savings effect from the prior year by use of a different margin scheme/structure**

Actions and effects with PHOENIX:
- The necessary change in the condition system imposed by the AMNOG legislation was diligently prepared by PHOENIX: All customers have been informed before January 2012
- Since the beginning of 2012, the German pharmaceutical wholesale market has become highly competitive
- Per se, the changeover towards the new margin scheme is positive for PHOENIX and for the pharmaceutical wholesale sector

PHOENIX is well-positioned for the future; this has recently been confirmed by two rating agencies

PHOENIX group

STANDARD & POOR'S

FitchRatings

Standard & Poor's	Fitch Ratings
➔ On 07 February 2012, the rating agency Standard & Poor's upgraded the **company's rating** from BB-/positive to **BB/stable** ➔ At the same time, the **bond rating** was improved from B to **B+**	➔ On 17 October 2011, the rating agency Fitch published a first **company rating of BB with stable outlook** ➔ At the same time, a **bond rating** was published with **B+**

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Despite the challenging market environment, the P&L shows stable net turnover and significant improvements within the financial result and the tax rate

PHOENIX group

Profit & Loss (in mEUR)	FY* 2010/11	FY 2011/12	Share of net turnover	Delta in %
Net turnover	**21,738**	**21,661**	**100%**	**-0.4%**
Cost of goods sold	-19,793	-19,657	-90.8%	-0.7%
Gross profit	**1,945**	**2,003**	**9.2%**	**3.0%**
Other income	147	147	0.7%	-0.3%
Personnel expenses	-934	-1,018	-4.7%	9.0%
Other operative expenses	-589	-597	-2.8%	1.3%
Result from associates and other invest.	8	4	0.0%	-53.5%
EBITDA	**577**	**539**	**2.5%**	**-6.5%**
Depreciation	-90	-101	-0.5%	12.7%
Financial result	-212	-137	-0.6%	-35.4%
Profit before taxes	**275**	**301**	1.4%	**9.5%**
Income taxes total	-126	-59	-0.3%	-53.1%
Profit for the period	**149**	**242**	**1.1%**	**62.8%**

Developments

- **Stable development of net turnover** despite regulatory impacts
- **Gross profit** improved as a result of margin-oriented sales policy, additional higher-margin revenue, and the increasing share of retail business
- Gross profit improvement does not allow to fully compensate increased operative expenses: **personnel expenses** and **other operative expenses** increased due to first time consolidation of joint venture in the Netherlands, acquisitions in Italy, and normal wage as well as transport cost increase
- As PHOENIX group reduced net debt, optimized its financing conditions, and is no longer burdened with restructuring costs, the **financial result** and in consequence the profit before tax are significantly improved
- Improving its effective **tax rate,** PHOENIX is able to reduce tax level despite higher profit before tax
- **Profit for the period** is significantly improved

* Prior-year figures were restated due to first-time adoption of IAS 19.93A as well as changes in the presentation within the financial result

PHOENIX group's optimized financial structure improves the financial result substantially

PHOENIX group

Financial result (in mEUR)	FY 2010/11	FY 2011/12	Delta
Interest income	46	34	-12
Interest expenses	-201	-174	27
Interest result	**-155**	**-140**	**15**
Other net financial result*	-86	2	87
Financial result excl. gains from financial asset disposal	**-240**	**-138**	**102**
Gains from the disposal of financial assets	28	1	-27
Financial result incl. gains from financial asset disposal	**-212**	**-137**	**75**

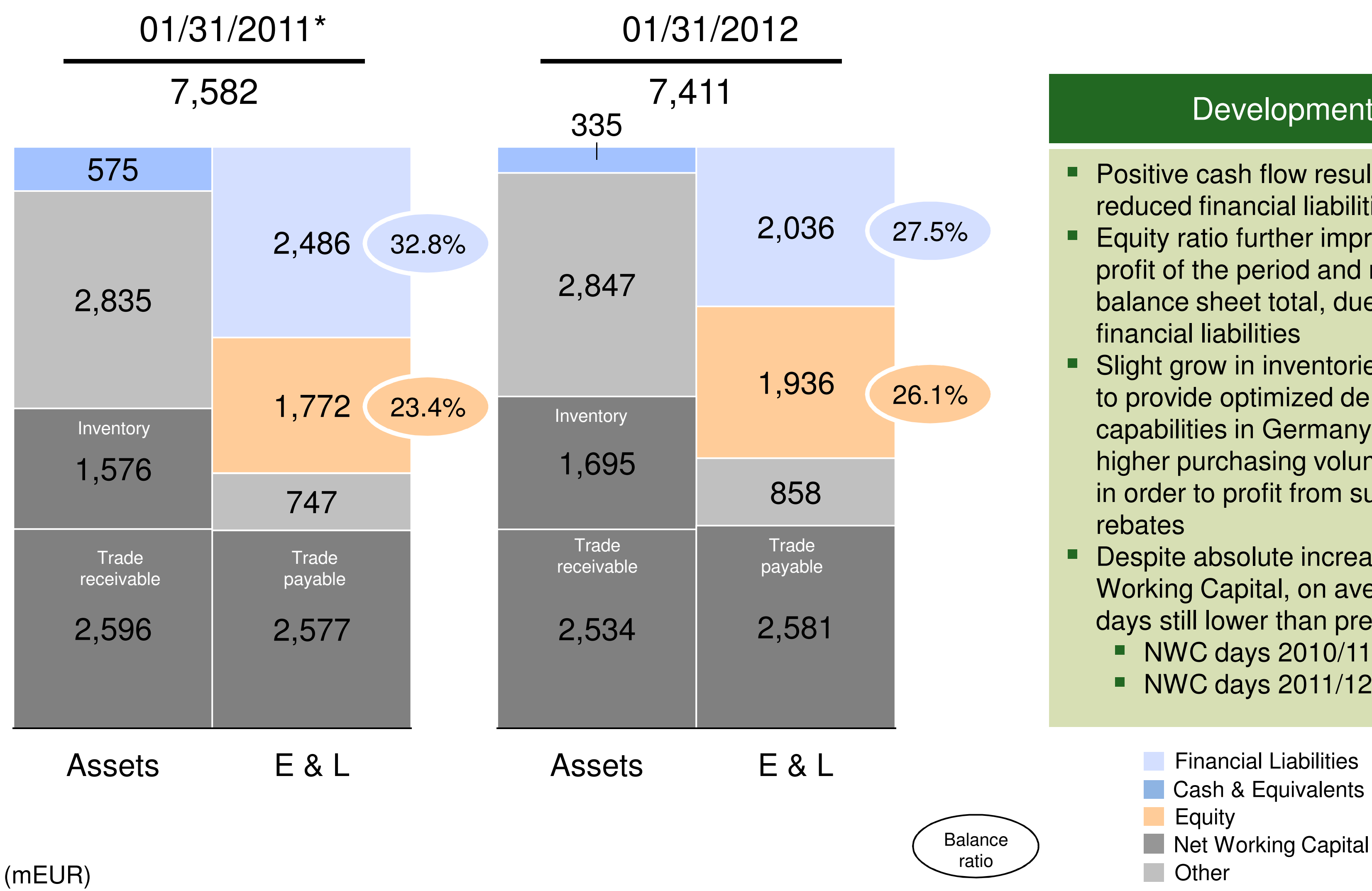
Developments

- Reduction of interest income due to repayment of granted VEM loan in BY 2010/2011
- Lower interest expenses are mainly driven by reduced debt and optimized interest rates
- Other net financial result profits from end of restructuring costs

* Other net financial result comprises
- "other financial income and expenses",
- "financial income and expenses from derivatives" as well as
- "exchange rate gains and losses" related to the financial result

PHOENIX continues its committed path of strengthening its balance sheet

PHOENIX group

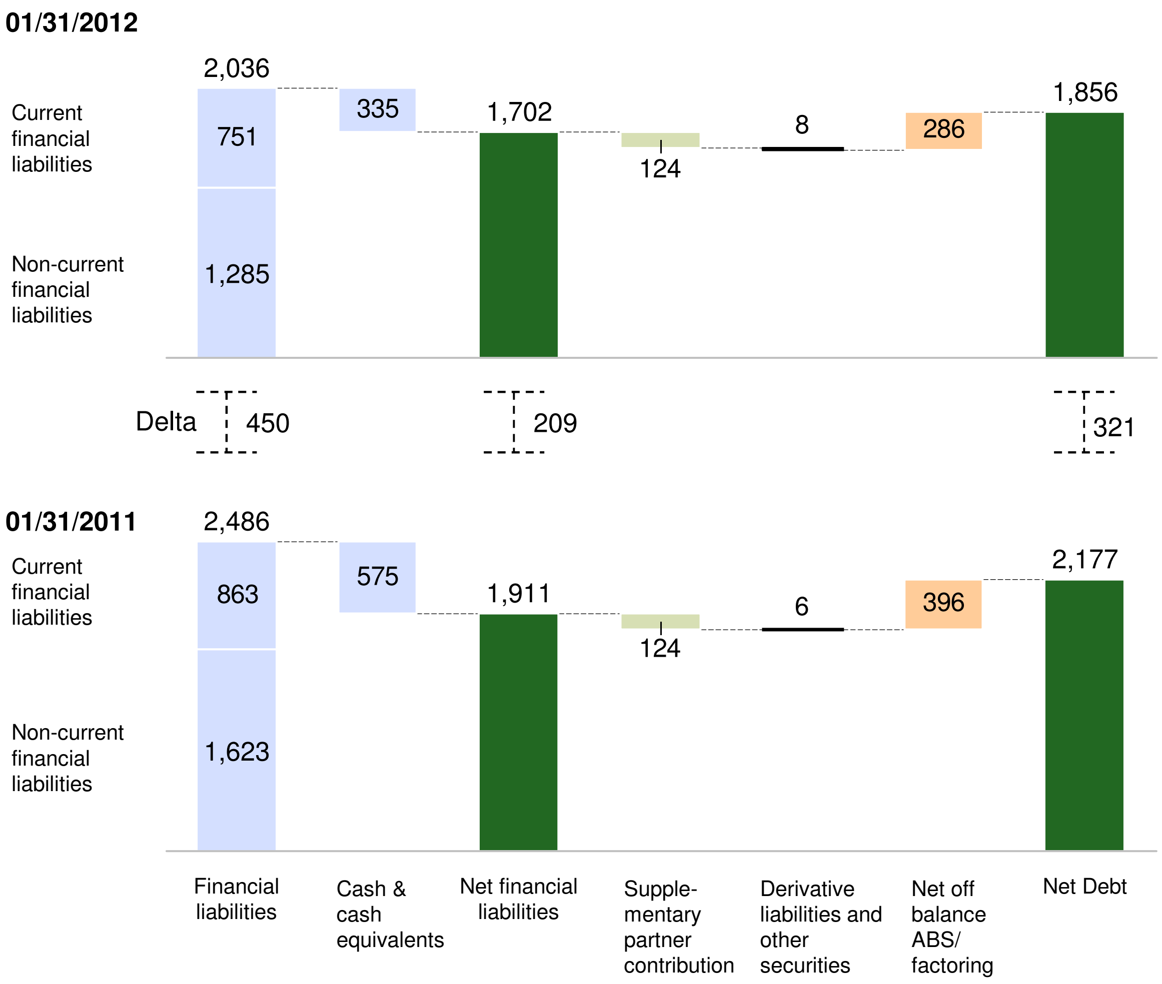


Developments

- Positive cash flow resulted in reduced financial liabilities
- Equity ratio further improved by profit of the period and reduced balance sheet total, due to reduced financial liabilities
- Slight grow in inventories in order to provide optimized delivery capabilities in Germany as well as higher purchasing volumes in Italy in order to profit from supplier rebates
- Despite absolute increase of Net Working Capital, on average NWC days still lower than previous year
  - NWC days 2010/11: 42.1
  - NWC days 2011/12: 39.9

* Prior-year figures were restated due to first-time adoption of IAS 19.93A and other reclassifications

Net Debt is significantly improved compared to previous year



(mEUR)

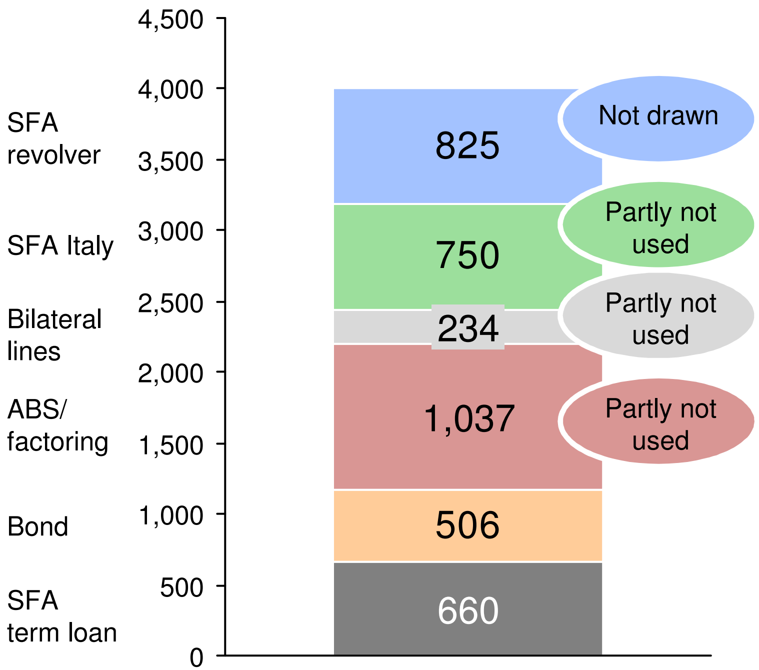
Y-o-Y developments

- Net Debt reduction of 321 mEUR compared to FY 2010/11:
  - 209 mEUR from reduced net financial liabilities (prepayments of SFA)
  - 110 mEUR from reduced ABS/ factoring

Solid financial structure after refinancing provides meaningful financial flexibility

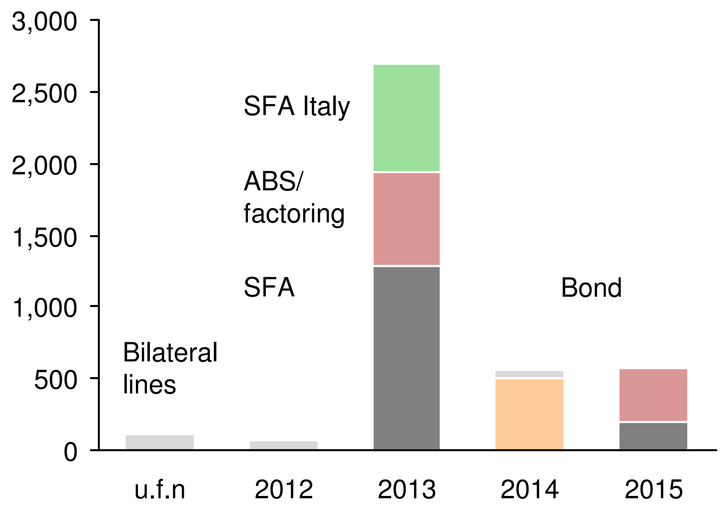
Financial facilities and headroom

01/31/2012



- Diversified financing structure
- Significant financial headroom and efficient utilisation of cash allowed slight reduction of credit lines

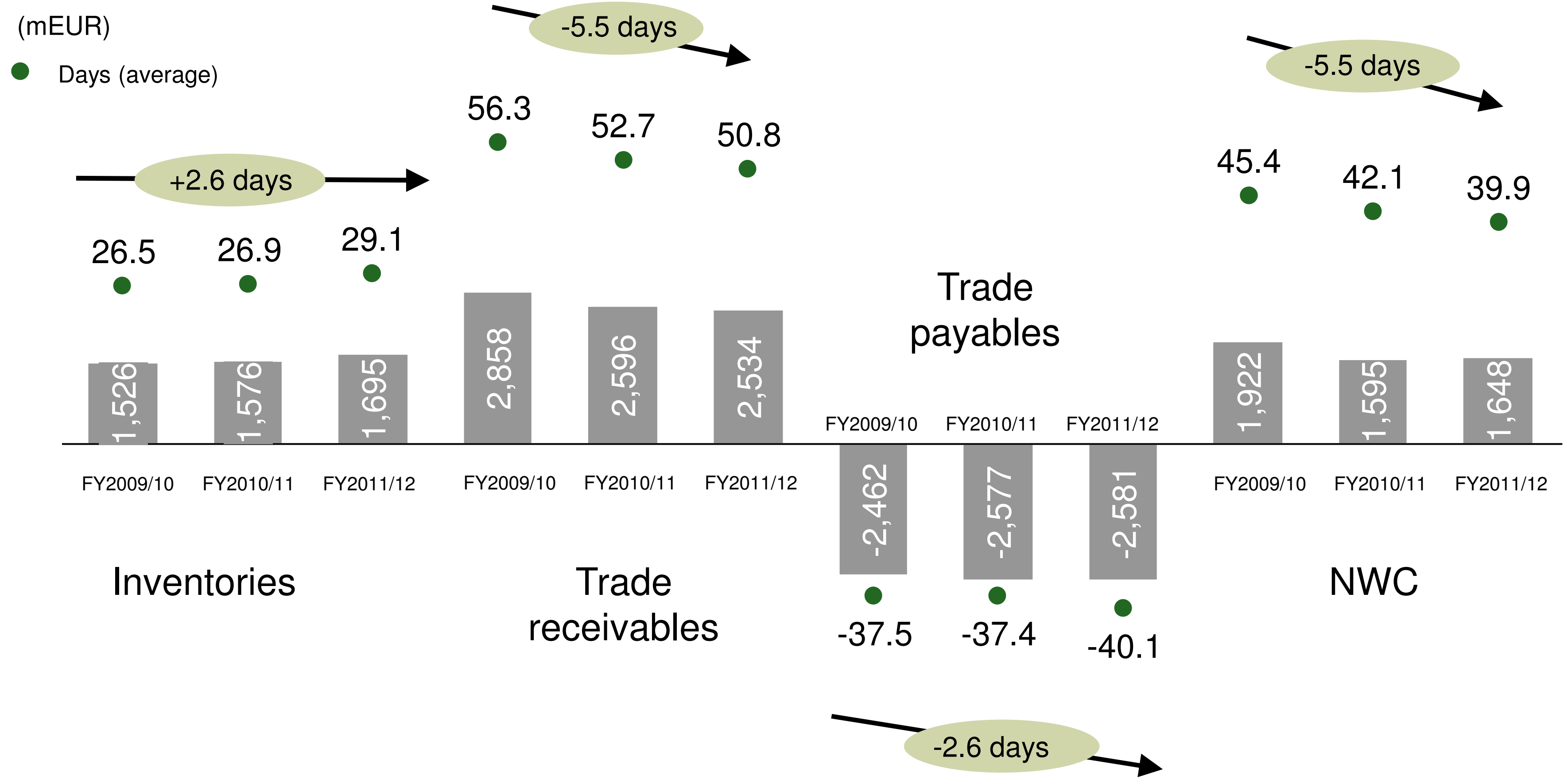
Debt maturity profile



- Since end of last financial year PHOENIX extended maturities for 0.6 bnEUR until end of 2015
- With the extension of maturities beyond the maturity of the high yield bond, banks signal their confidence in PHOENIX's credit worthiness

(mEUR)

The active management of net working capital shows significant improvements



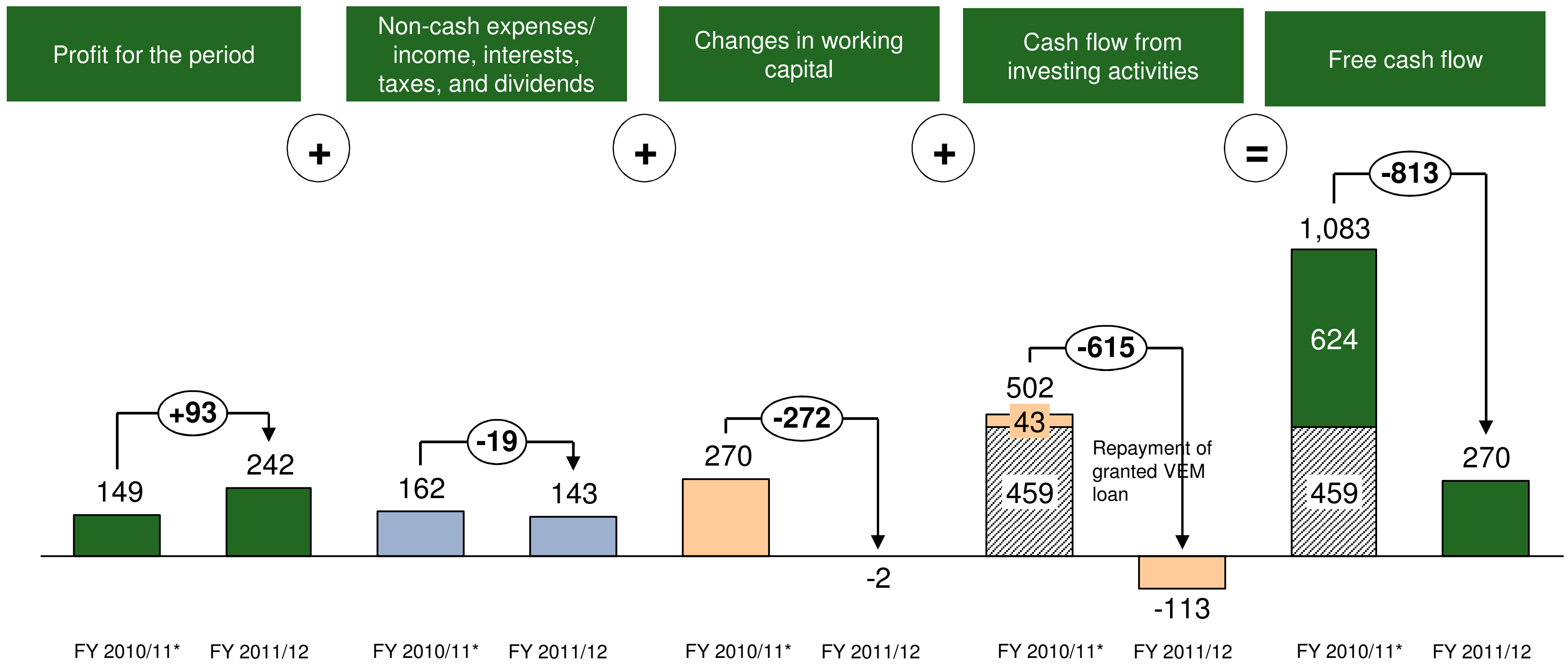
Key Achievements

- Slight increase in stock (optimized delivery cap. in Germany and profit from supplier rebates in Italy)
- Due to successful local optimization, receivables and DSO improved
- Payables significantly improved
- Overall, significantly improved NWC

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

The cash flow for fiscal year shows a positive free cash flow – previous year with major one-off effects

PHOENIX group



Cash flow development

- Improved profit of the period due to better financial results and low tax rate
- Second column reduced by lower level of non-paid interest and non-paid taxes
- Major potential within working capital leveraged in previous year (effect not repeatable), but maintenance of optimized net working capital days
- Cash flow from investing activities in 2010/11 is influenced by exceptional items (especially payback of granted loan in the amount of 459 mEUR and divestments of financial assets)

(mEUR)

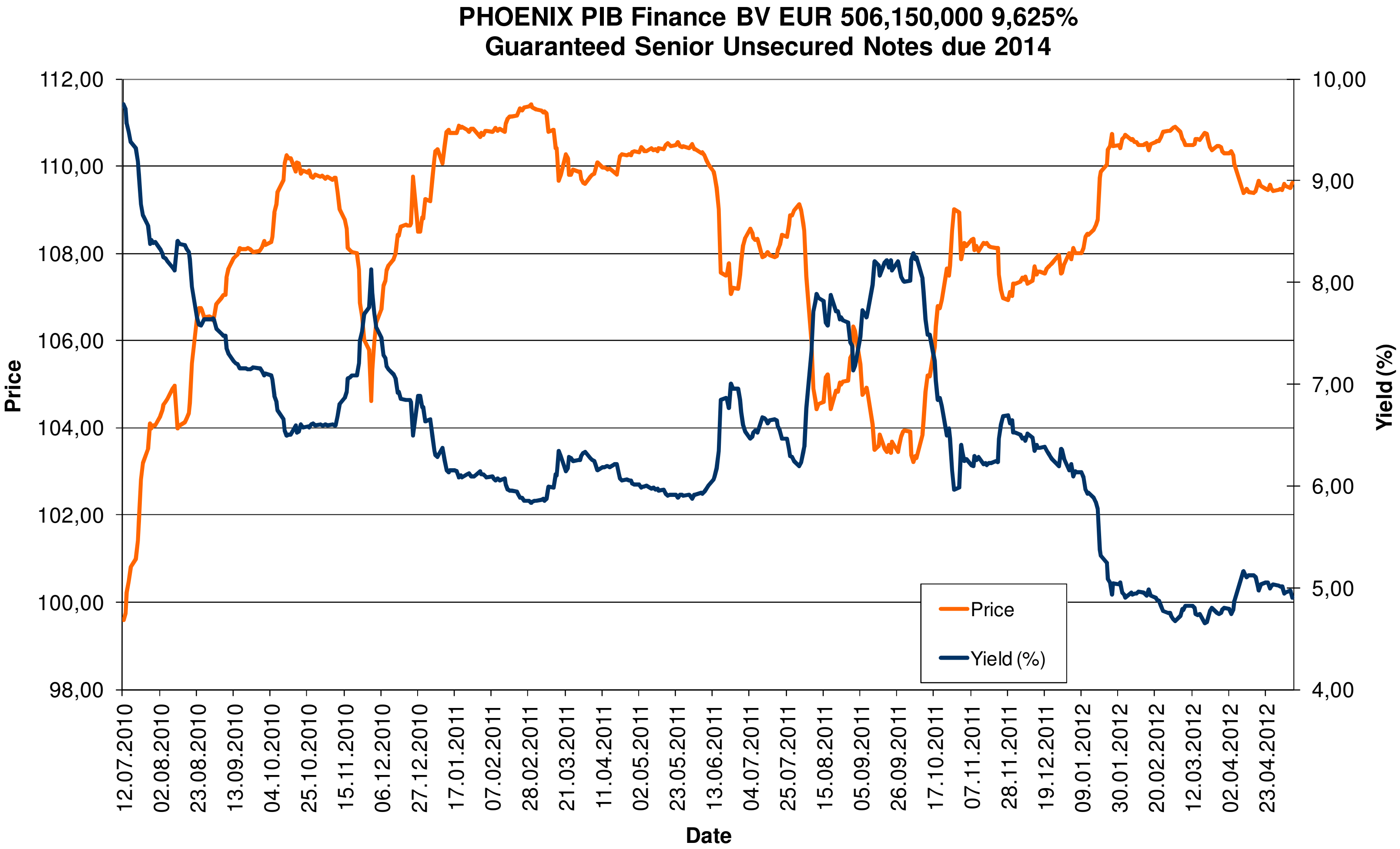
* Prior-year figures were restated due to first-time adoption of IAS 19.93A as well as changes in the presentation within the financial result

Summary: Development of key credit indicators

	01/31/2011*	01/31/2012	Delta in %
Equity (in mEUR)	1,772.4	1,935.6	9.2%
Equity Ratio	23.4%	26.1%	11.7%
Net Debt (in mEUR)	2,176.6	1,855.7	-14.7%
Gearing (Net debt/Equity)	122.8%	95.9%	-21.9%
	FY 2010/11*	**FY 2011/12**	**Delta in %**
EBITDA (in mEUR)	576.9	539.4	-6.5%
EBITDA-Margin	2.7%	2.5%	-6.2%
Adjusted EBITDA** (in mEUR)	614.0	566.5	-7.7%
Adj.-EBITDA-Margin**	2.8%	2.6%	-7.1%
Net Debt / Adjusted EBITDA**	3.54	3.28	-7.3%
Interest Coverage Ratio (EBIT / Interest Expenses)	2.4	2.5	3.9%
Profit before tax (in mEUR)	274.9	300.9	9.5%
PBT-Margin	1.3%	1.4%	9.8%
Profit after tax (in mEUR)	148.6	241.7	62.7%
PAT-Margin	0.7%	1.1%	63.3%

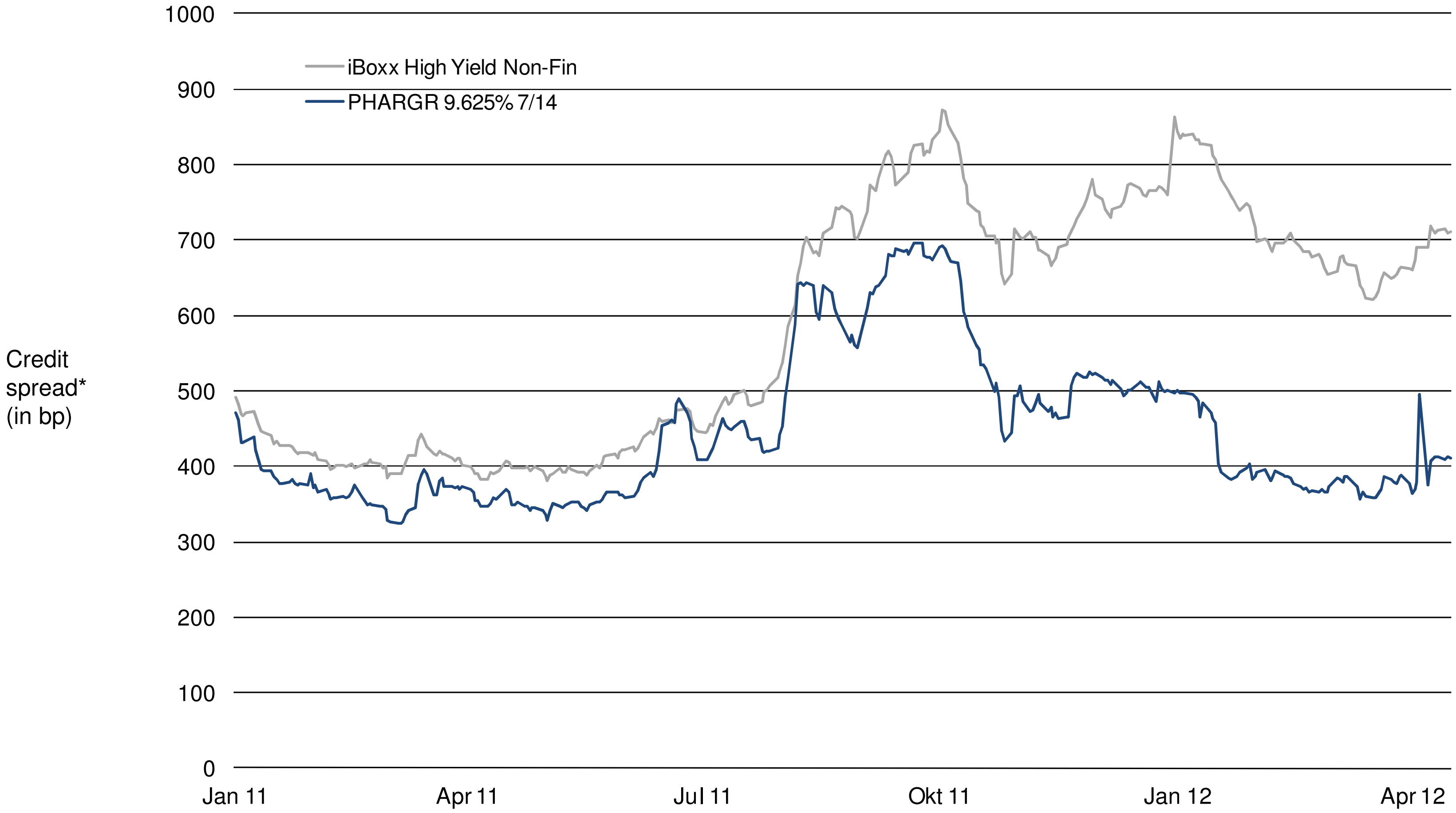
* Prior-year figures were restated due to first-time adoption of IAS 19.93A as well as changes in the presentation within the financial result.
** Adjusted EBITDA according to Bond definition

After decrease in fall 2011, the price of the PHOENIX bond is now back at approx. 110% of the nominal value



The good performance of the PHOENIX bond starting Oct'11 is shown by the spread to the high yield index

PHOENIX group



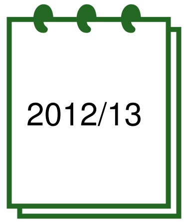
* Yield to maturity minus swap rate

PHOENIX group with unchanged stringent financial policy

Deleveraging strategy	▪ Further deleveraging is integral part of PHOENIX's financial policy and is backed by its main shareholders ▪ Net Debt/EBITDA target of around 3.0x ▪ PHOENIX is confident to reach its leverage target in the next two years
Carefully managed acquisition activity	▪ PHOENIX's growth strategy is focused on above market organic growth ▪ Profitable and financially sound add-on acquisitions (mainly pharmacies) may also be pursued, but only within a predefined acquisition budget

Financial calendar 2012/13

Reporting Event	Date
1^{st} Quarter - Results	06/27/2012
1^{st} Half Year - Results	09/27/2012
3^{rd} Quarter - Results	12/20/2012



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