Results of the 1st Quarter 2011/12

Mannheim, 28th June 2011

PHOENIX group

Reimund Pohl / Dr. Michael Majerus
CEO / CFO
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Agenda

Highlights of the 1st Quarter
Reimund Pohl
CEO

Group Financials Q1 2011/12
Dr. Michael Majerus
CFO

Questions & Answers
Despite market pressure, PHOENIX maintains its growth path and significantly increases gross profit.

The balanced country portfolio ensures revenue growth despite pressure within our biggest markets, especially Germany, Italy and the United Kingdom.

Gross profit significantly improves as a result of margin-oriented sales policy, additional higher-margin revenue in the fee-for-services business, and the increasing proportion of retail revenue.
The year-over-year comparison shows positive developments of the results.

Within EBITDA, the increase on gross profit level compensates higher personnel costs and reduced income from other operating activities.

Next to the EBITDA contribution, profit before taxes is further increased versus previous year through the improved financial result.

* Due to the first-time adoption of IAS 19.93A, PY figures were made comparable.
PHOENIX group’s country portfolio allows for balancing the pressure from both competition and market side.

Positive developments Q1

- Q1 growth versus previous year underlines the resilience of PHOENIX’s business model
- Strong and further growth in Eastern Europe
- Positive developments in Bosnia, Serbia and Macedonia
- Positive contributions from Northern Europe

Market pressure Q1

- High competition in France
- Negative effects from regulation (especially price reductions) in the United Kingdom and Italy
- New legislation governing the wholesalers’ remuneration in Germany (“AMNOG”)
AMNOG* changes the wholesalers’ remuneration scheme in Germany

- The legislative authorities in Germany have clearly stated the political goal to save a total of 200 mEUR per year on the level of the pharmaceutical wholesalers
- This will be realized by changes in the remuneration scheme

### Interim period 2011
- Continuation of the existing wholesalers’ remuneration scheme:  
  - Declining margin (15% to 6%); variable component only  
  - Remuneration capped at 72.00 EUR  
- For the interim period 2011, an overall wholesale rebate of 0.85% on all prescription drugs is imposed, generating savings of about 200 mEUR on the wholesalers’ level

### From 2012 onwards
- Flat margin scheme (3.15%); in addition fixed remuneration component of 0.70 EUR per article  
- Wholesalers’ remuneration capped at 38.50 EUR  
- This adjustment of the remuneration scheme leads to similar savings in the amount of 200 mEUR on the level of the pharmaceutical wholesalers

PHOENIX strives to counterbalance the negative effects through various measures in the fields of sales and operations

* Arzneimittelmarkt- neuordnungsgesetz
In addition to organic growth, carefully selected acquisitions strengthen PHOENIX’s market positions.

### Growth strategy

- PHOENIX’s strategy is focused on **profitable organic growth above the market average**
- Profitable and financially sound **add-on acquisitions may be pursued**, but only within a **pre-defined acquisition budget**

### Wholesale

- Acquisition of a 60% participation in **Farcorpa Distribuzione S.r.l.**, a regional Italian wholesaler, per 15th of April
- With this acquisition, PHOENIX further strengthens its market-leading position and improves its geographical coverage in Italy

### Retail

- **Acquisition of three pharmacies** and opening of four new shops to strengthen the retail position in selected countries
- **Successful conclusion of the integration process of Lloyds Nederland BV** in the context of our joint venture with Celesio AG in the Netherlands
Group Financials Q1 2011/12

Dr. Michael Majerus
CFO
Q1 P&L reflects the positive profitability compared to previous year and the ending of restructuring costs

<table>
<thead>
<tr>
<th>Profit &amp; Loss (in mEUR)</th>
<th>Q1 2010/11</th>
<th>Q1 2011/12</th>
<th>Delta in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>5,381</td>
<td>5,397</td>
<td><strong>0.31%</strong></td>
</tr>
<tr>
<td><strong>Cost of goods sold</strong></td>
<td>-4,919</td>
<td>-4,912</td>
<td>-0.14%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>462</td>
<td>485</td>
<td><strong>5.00%</strong></td>
</tr>
<tr>
<td>Other Income</td>
<td>43</td>
<td>37</td>
<td>-15.30%</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-229</td>
<td>-251</td>
<td>9.37%</td>
</tr>
<tr>
<td>Other operative expenses</td>
<td>-150</td>
<td>-135</td>
<td>-9.82%</td>
</tr>
<tr>
<td>Result from associates and other invest.</td>
<td>4</td>
<td>0</td>
<td>-89.09%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>130</td>
<td>136</td>
<td><strong>4.50%</strong></td>
</tr>
<tr>
<td>Interest from customers</td>
<td>5</td>
<td>6</td>
<td>27.77%</td>
</tr>
<tr>
<td>Costs of financial restructuring</td>
<td>4</td>
<td>0</td>
<td>-100.00%</td>
</tr>
<tr>
<td>Factoring fees</td>
<td>2</td>
<td>1</td>
<td>-9.53%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>141</td>
<td>144</td>
<td><strong>1.97%</strong></td>
</tr>
<tr>
<td>Depreciation</td>
<td>-22</td>
<td>-23</td>
<td>4.59%</td>
</tr>
<tr>
<td>Financial result</td>
<td>-41</td>
<td>-36</td>
<td>-12.73%</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>67</td>
<td>77</td>
<td><strong>14.97%</strong></td>
</tr>
</tbody>
</table>

* Due to the first-time adoption of IAS 19.93A, PY figures were made comparable

**New developments**

- Despite the moderate revenue development, PHOENIX group achieved an increase in PBT.
- Positive gross profit development compensates increase in personnel expenses, partially due to joint venture in the Netherlands.

**End of restructuring**

- PHOENIX group is no longer burdened with restructuring costs which leads to improvements of EBITDA and also of the financial result.

Results of the 1st Quarter 2011/12
PHOENIX group, 06/28/2011, Mannheim, Germany
PHOENIX group’s optimized financial structure improves the financial result

<table>
<thead>
<tr>
<th>Financial result (in mEUR)</th>
<th>Q1 2010/11</th>
<th>Q1 2011/12</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and other financial income</td>
<td>14.6</td>
<td>8.1</td>
<td>-6.5</td>
</tr>
<tr>
<td>Interest expenses and other financial expenses</td>
<td>-57.0</td>
<td>-45.5</td>
<td>11.5</td>
</tr>
<tr>
<td><strong>Interest result</strong></td>
<td><strong>-42.4</strong></td>
<td><strong>-37.5</strong></td>
<td><strong>4.9</strong></td>
</tr>
<tr>
<td>Net exchange effects &amp; change in value of derivatives</td>
<td>1.6</td>
<td>3.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Other financial result</td>
<td>-0.1</td>
<td>-1.5</td>
<td>-1.3</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td><strong>-40.9</strong></td>
<td><strong>-35.7</strong></td>
<td><strong>5.2</strong></td>
</tr>
</tbody>
</table>

New developments

- Reduction of interest income due to VEM loan repayment
- Reduced Net Debt lead to lower interest expenses

Results of the 1st Quarter 2011/12
PHOENIX group, 06/28/2011, Mannheim, Germany
PHOENIX continues its committed path of strengthening its balance sheet

**New developments of capital structure**

- Moderate increase of short-term financial liabilities
- Equity ratio further improved by profit of the period
- Inventories increased due to seasonal fluctuations
- Receivables mainly increased due to Italian acquisition

<table>
<thead>
<tr>
<th></th>
<th>31.01.2011 *</th>
<th>30.04.2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>7,582</td>
<td>7,536</td>
</tr>
<tr>
<td>Inventory</td>
<td>1,576</td>
<td>1,679</td>
</tr>
<tr>
<td>Trade receivable</td>
<td>2,596</td>
<td>2,645</td>
</tr>
<tr>
<td><strong>E &amp; L</strong></td>
<td>2,497</td>
<td>2,535</td>
</tr>
<tr>
<td>Trade payable</td>
<td>747</td>
<td>733</td>
</tr>
</tbody>
</table>

(mEUR)

* Due to the first-time adoption of IAS 19.93A, PY figures were made comparable. (Net effect in BS +22 mEUR)

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Results of the 1st Quarter 2011/12
PHOENIX group, 06/28/2011, Mannheim, Germany
Net Debt is slightly increased due to seasonal patterns, but still on low level compared to PY

<table>
<thead>
<tr>
<th>Non-current financial liabilities</th>
<th>Current financial liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/30/2010*</td>
<td>3,815</td>
</tr>
<tr>
<td></td>
<td>3,581</td>
</tr>
<tr>
<td></td>
<td>234</td>
</tr>
<tr>
<td>04/30/2011</td>
<td>2,535</td>
</tr>
<tr>
<td></td>
<td>1,634</td>
</tr>
<tr>
<td></td>
<td>901</td>
</tr>
</tbody>
</table>

Y-o-Y developments
- Net Debt reduction of 1.5 bnEUR compared to Q1 2010/11
- Significant optimization of debt structure

Q1 developments
- Net Debt increased by 0.2 mEUR in Q1 due to seasonal patterns

(mEUR)

* Due to the first-time adoption of IAS 19.93A, PY figures were made comparable

Results of the 1st Quarter 2011/12
PHOENIX group, 06/28/2011, Mannheim, Germany
Solid financial structure after refinancing provides meaningful financial flexibility

- Diversified financing structure
- The group has significant headroom across different financing products

Since end of last financial year PHOENIX negotiated extension of maturity for 0.4 bnEUR until end of 2015, prolongation of further 0.2 bnEUR currently under discussion

With the extension of maturities beyond the maturity of the high yield bond banks signal their confidence in PHOENIX’s credit worthiness
The Q1 cash flow shows the expected swing due to seasonal working capital development.

As expected negative swing of working capital in Q1 alike to comparable previous period.
## Summary: Development of key credit indicators

<table>
<thead>
<tr>
<th></th>
<th>01/31/2011</th>
<th>04/30/2011</th>
<th>Delta in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity (in mEUR)</td>
<td>1,761.1</td>
<td>1,793.6</td>
<td>1.8%</td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>23.2%</td>
<td>23.8%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Net Debt (in mEUR)</td>
<td>2,176.6</td>
<td>2,385.3</td>
<td>9.6%</td>
</tr>
<tr>
<td>Gearing</td>
<td>1.24</td>
<td>1.33</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1 2010/11</th>
<th>Q1 2011/12</th>
<th>Delta in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (in mEUR)</td>
<td>130.4</td>
<td>136.3</td>
<td>4.5%</td>
</tr>
<tr>
<td>EBITDA-Margin</td>
<td>2.42%</td>
<td>2.52%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Adjusted EBITDA (in mEUR)</td>
<td>141.0</td>
<td>143.8</td>
<td>2.0%</td>
</tr>
<tr>
<td>Adj.-EBITDA-Margin</td>
<td>2.62%</td>
<td>2.66%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Interest Coverage Ratio (EBIT / Interest Expenses)</td>
<td>2.29</td>
<td>2.56</td>
<td>11.8%</td>
</tr>
</tbody>
</table>
Lately, the PHOENIX bond has been influenced by Celesio’s profit warning

PHOENIX PIB Finance BV EUR 506,150,000 9.625%
guaranteed senior unsecured notes due 2014

Issuer
PHOENIX PIB Finance B.V.

Issue
Senior unsecured notes

Maturity
July 2014; 4 years bullet

Covenants
Customary high yield incurrence based

Rating

„B1“ — Stable outlook

„B+“ — Positive outlook

Listing
Luxembourg Euro MTF (Freiverkehr)
Outlook

- The Q1 results of gross profit, EBITDA, and PBT are better than in the previous year.

- The diversified country portfolio, the continuously optimized operational performance and optimized financing structure will allow PHOENIX group to realize its envisioned growth slightly above market average.

- Despite the market and regulatory pressure in some countries and struggling competitors, PHOENIX group maintains its outlook for 2011/12.
**PHOENIX group with 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 |
| No regular dividend payments | In line with PHOENIX’s deleveraging strategy, no regular dividend payments are planned for the next three years  
|                           | Loan and bond documentation also include dividend restrictions |
| 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 |