celesio

Celesio AG

Stuttgart

ISIN: DE000CLS1001, WKN: CLS100

Invitation to the 2013 Annual General Meeting

Dear Shareholder,

You are hereby invited to attend the Annual General Meeting of Celesio AG, which will be taking place at the Porsche Arena, Mercedes Str. 69, 70372 Stuttgart at **10 a.m. on Thursday, 16 May 2013**.

Agenda

1. Presentation of the adopted annual financial statement of Celesio AG and the approved consolidated financial statement as at 31 December 2012, the combined management report for Celesio AG and the Group, including the explanatory report of the Management Board on the disclosures pursuant to §§ 289 (4) and (5), 315 (4) German Commercial Code (Handelsgesetzbuch, "HGB") and the report of the Supervisory Board for the 2012 fiscal year

The aforementioned documents can be accessed at www.celesio.com/en/Investor_Relations/Annual_General_Meeting. These documents will also be available for inspection at the Annual General Meeting. They will be explained at the Annual General Meeting by the Management Board and – in matters relating to the Report of the Supervisory Board - by the Chairman of the Supervisory Board.

This agenda item will not be subject to any resolution, in that the Supervisory Board has approved the annual financial statement and the consolidated financial statement, and the annual financial statements have therefore been adopted.

2. Resolution on the appropriation of net retained profit for the 2012 fiscal year

The Management Board and the Supervisory Board propose that the net retained profit of EUR 53,523,005.00 reported for the 2012 fiscal year be appropriated as follows:

a) Distribution of a dividend of EUR 0.30 per share in the dividend-bearing share capital of EUR 217,728,000.00, which is divided into 170,100,000 no-par value shares = EUR 51,030,000,00.

b) To carry forward the amount of EUR 2,493,005.00 to a new account.

The dividend will be payable on 17 May 2013.

3. Resolution to ratify the actions of the members of the Management Board for the 2012 fiscal year

The Management Board and the Supervisory Board propose that the actions of the Management Board members holding office during the 20102 fiscal year be ratified for this period.

4. Resolution to ratify the actions of the members of the Supervisory Board for the 2012 fiscal year

The Management Board and the Supervisory Board propose that the actions of the Supervisory Board members holding office during the 2012 fiscal year be ratified for this period.

5. Resolution on approval of the system of remuneration for the members of the Company's Management Board

Pursuant to § 120 Section 4 AktG of the legislation dated 31 July 2009 on the appropriateness of the remuneration paid to the Management Board, the Annual General Meeting of a publicly listed company can pass a resolution approving the remuneration paid to the members of the Management Board. The resolution forms the basis neither for any rights nor obligations. In particular it does not release the Supervisory Board of its duty of determining the remuneration paid to the Management Board on its own responsibility. The company wishes to enable its shareholders to vote on the system of remunerating members of the Management Board, which was amended in the course of the 2012 fiscal year.

The system for remunerating members of the Management Board of Celesio AG is outlined in the Remuneration Report which appears on Pages 77 ff. of the Annual Report as a component of the summary Management Report for Celesio AG and the Group. This system forms the subject of the following draft resolution.

The Management Board and Supervisory Board propose that the system for remunerating members of the Management Board should be ratified.

6. Election of the auditor and Group auditor for the 2013 fiscal year

Based upon the recommendation of the Audit Committee, the Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be appointed as auditors of the Company and the Group for the 2013 fiscal year, as well as to perform the audit review of the half-yearly financial report and the quarterly financial reports for the 2013 fiscal year and the audit review of the quarterly financial report for the 2013 fiscal year, to be prepared prior to the Annual General Meeting in 2014, if an audit review of these reports is commissioned.

7. New elections to the Supervisory Board

Pursuant to §§ 96 (1), 101 (1) German Stock Corporation Act (Aktiengesetz, "AktG"), §§ 1 (1), 7 (1) No. 1 German Co-Determination Act (Mitbestimmungsgesetz, "MitbestG") and § 5 (1) sentence 1 of the Articles of Association, the Supervisory Board is composed of six members to be elected by the Annual General Meeting (shareholder representatives) and six members to be elected by the Company‘s employees (employee representatives).

The period of office of the members of the Supervisory Board elected by a resolution taken at the Annual General Meeting of 30 April 2008 Prof Dr med. Julius Michael Curtius, Dr Hubertus Erlen and Hanspeter Spek as well as Stephan Gemkow, the member of the Supervisory Board appointed by a verdict of the Stuttgart District Court dated 13 November 2012, ends with the completion of the Annual General Meeting on 16 May 2013. In order to ensure a homogenous period of office for all members of the Supervisory Board, the remaining members of the Supervisory Board elected by the shareholders, Dr Florian Funck and Mr W.M. Henning Rehder, have also resigned their office with effect from the completion of the Annual General Meeting. As a result new elections are required for all the representatives of the shareholders on the Supervisory Board.

The Annual General Meeting is not under an obligation to accept nominations.

Based on the recommendation of the Nomination Committee, the Supervisory Board nominates:

a) Dr Florian Funck, resident in Essen, Member of the Management Board, Franz Haniel & Cie. GmbH,

b) Mr Stephan Gemkow, resident in Overath, Chairman of the Management Board, Franz Haniel & Cie. GmbH,

c) Ms Pauline Lindwall, resident in Küssnacht, Switzerland, Category Director Coffee Southern Europe Kraft Europe,

d) Mr W.M. Henning Rehder, resident in Hamburg, former Member of the Management Board (CFO) of the Siemens Enterprise Communications GmbH & Co. KG (SEN Group),

e) Mr Patrick Schwarz-Schütte, resident in Düsseldorf, Managing shareholder of the Black Horse Investments GmbH and

f) Mr Hanspeter Spek, resident in Paris, France, Member of the Management Board, Sanofi SA,

for election to the Supervisory Board as representatives of the shareholders from the completion of the Annual General Meeting on 16 May 2013 for the period until the completion of the Annual General Meeting which will resolve on the ratification of the 2017 fiscal year.

The intention is to hold the election on an individual basis pursuant to Section 5.4.3 Sentence 1 of Germany's Corporate Governance Code. If elected Mr Stephan Gemkow intends to submit his candidacy for the Chair of the Supervisory Board once more.

Mr W.M. Henning Rehder is independent and has professional knowledge in the fields of accountancy and auditing as defined by § 100 Section 5 AktG.

Further details of item 7 of the agenda will be found after the report by the Management Board on item 9 of the agenda.

8. Resolution on amending the remuneration of the Supervisory Board and the corresponding amendment to the Articles of Association

The existing remuneration of the Supervisory Board consists of fixed remuneration and a success-based element which is related to the dividend distributed to the shareholders for the past fiscal year. The remuneration of the Supervisory Board is to be changed to fixed remuneration only. The company has come to the conclusion that this form of remuneration is more suited to the Supervisory Board's monitoring function, which is to be fulfilled independently of the short-term success of the company. Accordingly it complies with the amended recommendation in § 5.4.6 Section 2 of Germany's Corporate Governance Code in the version of 15 May 2012.

The Management Board and Supervisory Board propose the following draft resolution:

a) § 5 Par. 11 of the Articles of Association is to be amended as follows:

"11. a) For their activities the members of the Supervisory Board will receive, in addition to reimbursement of their expenses, fixed annual remuneration of EUR 65,000.00. The Chairman will receive double and the Vice-Chairman one and a half times the above amount.

b) For his or her committee activities each member of a committee - with the exception of the Mediation Committee and the Nominating Committee - will receive an additional annual payment of EUR 6,000, while the chairman of the committee will receive EUR 12,000. The members of the Nominating Committee will receive an additional payment of EUR 3,000, while the Chairman of the Nominating Committee will receive EUR 6,000.00. Members of a committee will only receive remuneration for participating in a particular committee if this committee has met at least once in the course of the calendar year.

c) In addition the members of the Supervisory Board will receive an attendance fee of EUR 500.00 for each meeting of the Supervisory Board and its committees at which they participate in person. If several meetings take place on the same day the attendance fee will only be paid once.

d) Members of the Supervisory Board who have only been part of the Supervisory Board for part of a fiscal year, will receive one twelfth of the annual remuneration for each month or part of a month of their activities. The same applies to membership of Supervisory Board committees.

e) The remuneration outlined in a) and b) is to be paid after the end of the individual fiscal year. The attendance fee outlined in c) is payable after each individual meeting.

f) The VAT which is payable on their overall remuneration and reimbursement of their expenses will be refunded to the members of the Supervisory Board by the Company.

g) The Company can conclude liability insurance on behalf of the members of the Supervisory Board which will cover the legal liability involved in Supervisory Board activities."

b) When it comes into effect the amendment to the Articles of Association outlined in a) will replace the existing arrangement for remunerating the members of the Supervisory Board in accordance with § 5 Section 11 of the Articles of Association and will be applied for the first time during the 2013 fiscal year, with the proviso that the elements of the remuneration as outlined in § 5 Section 11 a) and b) will be paid for the entire year, while the attendance fee outlined in § 5 Section 11 lit. c) will only be paid for meetings which take place after the amendment to the Articles of Association has been recorded in the Commercial Register.

For the information of shareholders, the existing remuneration arrangements for the Supervisory Board pursuant to § 5 Section 11 of the Articles of Association are as follows:

11. In addition to reimbursement of their expenses the members of the Supervisory Board receive a fixed fee of EUR 5,000 annually, with a payment of EUR 800 for every half a percentage point by which the dividend distributed among the shareholders for the past fiscal year exceeds 4 % of the dividend-bearing nominal capital, in each case together with the applicable rate of VAT. The Chairman receives double and the Vice-Chairman one and a half times the fee received by the other members. Each member of a committee – with the exception of the committee formed in accordance with § 27 Section 3 of the Co-determination Act – receives EUR 2,000 for each membership of a committee, while the chairman of the committee receives EUR 4,000.

9. Resolution on authorising the issue of option and/or convertible bonds with the possibility of excluding pre-emptive subscription rights, the creation of further contingent capital (2013 contingent capital) and the corresponding amendment to the Articles of Association

With the issue of convertible bonds to a total par value of EUR 350,000,000 by Celesio Finance B.V., Netherlands, in October 2009 the authorisation granted to the Company by the Annual General Assembly on 8 May 2009 to issue option and/or convertible bonds to a total par value of up to EUR 500,000,000 was for the most part exhausted. This authorisation was therefore revoked by a resolution of the Annual General Assembly on 6 May 2010, while at the same time a new authorisation was provided for the issue of option and/or convertible bonds to a total par value of up to EUR 500,000,000. With a further issue of convertible bonds to a total par value of EUR 350,000,000 by Celesio Finance B.V., Netherlands, in April 2011 the authorisation granted to the Company by the Annual General Assembly on 6 May 2010 to issue option and/or convertible bonds was for the most part exhausted. In practical terms a further issue of option and/or convertible bonds to the exclusion of pre-emptive subscription rights pursuant to § 186 Section 3 Sentence 4 AktG is no longer possible on the basis of the authorisation of 6 May 2010. The 2009 contingent capital pursuant to § 3 Section 4 of the Articles of Association and the 2010 contingent capital pursuant to § 3 Section 5 of the Articles of Association serve to secure the subscription rights to Celesio shares of the owners of the convertible bonds issued under the two authorisations mentioned above. The Company regards it as a necessity to be able to resort to option and/or convertible bonds as a financing instrument. In order to provide the necessary flexibility in this method of generating capital, the authorisation granted by the Annual General Meeting on 6 May 2010 for the issue of option and/or convertible bonds is to be revoked to the extent that it has not yet been exhausted. In return a new authorisation for the issue of option and/or convertible bonds with the exclusion of pre-emptive subscription rights and further contingent capital (2013 contingent capital) are to be resolved. The 2013 contingent capital will secure the subscription rights to Celesio shares relating to the option and/or convertible bonds which are issued on the basis of the new authorisation.

The Management Board and Supervisory Board propose ratification of the following:

a) Revocation of the previous authorisation

To the extent that it has not yet been utilised the resolution by the Annual General Meeting on 6 May 2010 authorising the Management Board with the consent of the Supervisory Board to issue, on one or more occasions by 5 May 2015, bearer option and/or convertible bonds to a total nominal amount of up to EUR 500,000,000, giving the owners of option bonds option rights and the owners of convertible bonds conversion rights to bearer shares in the Company with a proportional share of up to EUR 21,772,800 in the nominal capital in accordance with the more detailed provisions of the option and/or convertible bond terms, will be revoked.

b) Authorisation to issue option and/or convertible bonds and exclude pre-emptive subscription rights

With the consent of the Supervisory Board the Management Board is authorised to issue, on one or more occasions by 15 May 2018, bearer option and/or convertible bonds to a total nominal amount of up to EUR 500,000,000, giving the owners of option bonds option rights and the owners of convertible bonds conversion rights to bearer shares in the Company with a proportional share of up to EUR 21,772,800 in the nominal capital in accordance with the more detailed provisions of the option and/or convertible bond terms.

The convertible bonds can be issued in euros or – under restriction to their value in euros – in the currency of any OECD country. They can also be issued by a German or foreign company in which Celesio AG directly or indirectly holds a majority of the shares ("majority holding"). In this event the Management Board is authorised, with the consent of the Supervisory Board, to assume the guarantee for the convertible bonds on behalf of the company and grant or impose on the owners of option or convertible bonds the applicable option or convertible rights or obligations to Celesio AG bearer shares.

The legal subscription right is accorded to shareholders in such a way that the convertible bonds are acquired by a bank or a consortium of banks with the obligation to offer them to the shareholders. Any enterprise involved in banking pursuant to § 53 Section 1 Sentence 1 or § 53b Section 1 Sentence 1 or Section 7 of the Banking Act will be regarded as the equivalent of a bank. If convertible bonds are issued by a company in which Celesio AG has a majority holding, the company must ensure the legal subscription right of the shareholders in Celesio AG in accordance with the previous sentence.

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude from the subscription rights any fractional amounts which arise from the subscription ratio and to exclude subscription rights to the extent required to ensure that owners of previously issued option or conversion rights or obligations can be granted subscription rights on the scale to which they would have a right as shareholders after exercising their option or conversion rights or fulfilling their option or conversion obligations.

With the consent of the Supervisory Board the Management Board is also authorised to fully exclude the subscription rights of shareholders to convertible bonds issued with option or conversion rights or obligations against payment of cash, if the Management Board after due checks comes to the conclusion that the issue price of the convertible bonds is not significantly below their hypothetical market value as calculated on the basis of recognised, in particular actuarial methods. This authorisation to exclude the subscription rights applies to convertible bonds issued with option or conversion rights or obligations to shares with a proportional amount of the share capital which must not exceed 10 % of the share capital in total, either at the time the authorisation becomes effective or – if this value is lower – at the time the authorisation is implemented. The above-mentioned 10 % limit includes:

— new shares which are issued from authorised capital to the exclusion of subscription rights pursuant to § 186 Section 3 Sentence 4 AktG during the term of this authorisation until the issue of convertible bonds with option or conversion rights or obligations pursuant to § 186 Section 3 Sentence 4 AktG,

— and shares which are acquired on the basis of an authorisation provided by the Annual General Meeting and are sold pursuant to § 71 Section 1 No. 8 Sentence 5 in conjunction with § 186 Section 3 Sentence 4 AktG until the issue pursuant to § 186 Section 3 Sentence 4 AktG of convertible bonds with option or conversion rights or obligations to the exclusion of subscription rights.

If option bonds are issued, one or more option warrants will be attached to each bond, entitling the owner to acquire no-par value registered shares in Celesio AG on the option terms to be determined by the Management Board. In the case of option bonds issued by Celesio AG denominated in euros the option terms may provide for payment of the option price to be effected by transferring bonds and where necessary making an additional cash payment. The pro-rata amount of the share capital to be accounted for by the shares to be acquired per bond must not exceed the nominal amount of the bonds. If this results in fractional amounts of shares it can be determined that these fractions may, in accordance with the terms of the option or bond, be converted into full shares, where necessary by means of an additional cash payment.

If convertible bonds are issued, the owners receive the irrevocable right to convert their convertible bonds into no-par value registered shares in Celesio AG on the convertible bond terms to be determined by the Management Board. The conversion rate will be based on dividing the nominal amount or the issue amount of a bond lying below the issue value by the conversion price determined for a share in the Company and can be rounded upwards or downwards to a whole number. An additional payment to be rendered in cash and the combination or compensation for any fractional amounts which are not capable of being converted can be determined. The pro-rata amount of the share capital to be accounted for by the shares to be acquired per bond must not exceed the nominal amount of the bonds.

The option or conversion price to be determined in each case is to be calculated on the following basis:

The option or conversion price must represent at least 80 % of the average volume-weighted closing price of the Company's shares in Xetra trading (or a comparable successor of the Xetra system) on the Frankfurt Stock Exchange

— on the last 10 trading days before the day of the resolution taken by the Management Board to issue convertible bonds or,

— if shareholders have subscription rights to the convertible bonds, during the time from the start of the subscription period until and including the day before the announcement of the final terms pursuant to § 186 Section 2 Sentence 2 AktG.

Without prejudice to § 9 Section 1 AktG, an anti-dilution clause may lead to a value-preserving adjustment of the option or conversion price in accordance with the terms of the bond issue if, before the expiry of the option or conversion period, the Company increases its share capital while providing its shareholders with subscription rights, or issues or guarantees further convertible bonds with option or conversion rights or obligations without offering subscription rights to the owners of existing option or conversion rights. The terms of the bond issue may also provide for a value-preserving adjustment of the option or conversion price in relation to other measures taken by the Company which could lead to a dilution of the value of the option or convertible rights.

The terms of the bond issue may provide for a right on the part of the Company to pay, in the event of the exercise of the option or the bond conversion, instead of granting new shares an amount of money which, in relation to the shares which would otherwise have to be provided, corresponds to the non-volume-weighted arithmetic mean of the daily volume-weighted average prices of the Celesio AG shares in Xetra trading (or a comparable successor of the Xetra system) on the Frankfurt Stock Exchange during the 10 trading days after the declaration of the exercise of the option or the bond conversion. If the Company announces that it intends to exercise its right to pay a financial amount after the exercise of the option or the bond conversion, this period of 10 trading days will not begin until two trading days after the Company has announced that a financial payment will be made. The terms of the bond issue may also provide that at the discretion of the Company the option or convertible bonds can, instead of new shares from contingent capital, be converted into the Company's existing shares or that the option right or option obligation can be fulfilled by the provision of such shares.

The terms for the convertible bonds may also provide for a conversion obligation or an option obligation at the end of the agreed period (or at a later point in time) or give the Company the right, when the convertible bonds bearing conversion or option rights mature (which also includes maturity resulting from termination) to partially or wholly grant the holders of the bonds shares in the Company instead of payment of the due financial amount. The share value will represent the volume-weighted average closing price of the Company's shares in Xetra trading (or a comparable successor of the Xetra system) on the Frankfurt Stock Exchange during the past 10 trading days before the date of maturity. The pro-rata amount of the share capital of the shares to be issued on conversion or exercise of the option must not exceed the nominal amount of the convertible bonds, taking into account § 9 Section 1 in conjunction with § 199 Section 2 AktG.

The Management Board is authorised with the consent of the Supervisory Board to determine the further details relating to the issue and characteristics of the convertible bonds, in particular the rate of interest, type of interest payment, issue price, term and denomination, anti-dilution provisions and the option or conversion period, or to determine these in agreement with the relevant bodies of the Celesio AG majority holdings which issue the option or convertible bonds.

c) Creation of further contingent capital (2013 contingent capital)

(1) Creation of further contingent capital

The share capital is to be conditionally increased by up to an additional EUR 21,772,800, divided in up to 17,010,000 bearer shares (2013 contingent capital). This conditional increase in capital will only be implemented to the extent that (i) the owners of option or conversion rights or those obliged to exercise their option or implement the conversion in relation to option or convertible bonds which were, on the basis of the authorisation resolved by the Annual General Meeting on 16 May 2013, issued or guaranteed by Celesio AG or a company in which Celesio AG either directly or indirectly holds a majority of votes and capital exercise their option or convertible rights or, if they are obliged to exercise their option or implement the conversion, actually fulfil their obligation to exercise such option or implement such conversion and (ii) are not granted financial compensation or have their claims met by the Company's existing shares. The issue of new shares will be implemented at an option or conversion price corresponding to the terms of this authorisation. The new shares will be entitled to participate in profits from the start of the fiscal year in which they are created as a result of the exercise of option or conversion rights or the implementation of option or conversion obligations. The Management Board is authorised with the consent of the Supervisory Board to determine the further details relating to the implementation of the conditional increase in capital.

(2) Amendments to the Articles of Association

(a) The following new Section 6 is added to § 3 of the Articles of Association:

"The share capital is to be conditionally increased by up to an additional EUR 21,772,800, divided in up to 17,010,000 bearer shares (2013 contingent capital). This conditional increase in capital will only be implemented to the extent that (i) the owners of option or conversion rights or those obliged to exercise their option or implement the conversion in relation to option or convertible bonds which were, on the basis of the authorisation resolved by the Annual General Meeting on 16 May 2013, issued or guaranteed by Celesio AG or a company in which Celesio AG either directly or indirectly holds a majority of votes and capital exercise their option or convertible rights or, if they are obliged to exercise their option or implement the conversion, actually fulfil their obligation to exercise such option or implement such conversion and (ii) are not granted financial compensation or have their claims met by the Company's existing shares. The issue of new shares will be implemented at an option or conversion price corresponding to the terms of the authorisation provided by the Annual General Meeting on 16 May 2013. The new shares will be entitled to participate in profits from the start of the fiscal year in which they are created as a result of the exercise of option or conversion rights or the implementation of option or conversion obligations. The Management Board is authorised with the consent of the Supervisory Board to determine the further details relating to the implementation of the conditional increase in capital."

(b) The sequence of the subsequent paragraphs of § 3 of the Articles of Association will change accordingly.

(3) Authorisation to amend the Articles of Association

The Supervisory Board is hereby authorised to amend the wording of § 3 of the Articles of Association in relation to the individual issue of subscription shares and to make all other related amendments to the Articles of Association pertaining to the wording only. The same applies if no use is made of the authorisation to issue option or convertible bonds after the period to which the authorisation applies, or if no use is made of the contingent capital after the expiry of the periods allowed for the exercise of option or conversion rights or the fulfilment of option or conversion obligations.

The report by the Management Board on this item of the agenda appears below.

Report by the Management Board pursuant to § 221 Section 4 Sentence 2 in conjunction with § 186 Section 4 Sentence 2 AktG on Item 9 of the agenda

With the issue of convertible bonds to a total par value of EUR 350,000,000 by Celesio Finance B.V., Netherlands, in October 2009 the authorisation granted to the Company by the Annual General Assembly on 8 May 2009 to issue option and/or convertible bonds to a total par value of up to EUR 500,000,000 was for the most part exhausted. This authorisation was therefore revoked by a resolution of the Annual General Assembly on 6 May 2010, while at the same time a new authorisation was provided for the issue of option and/or convertible bonds to a total par value of up to EUR 500,000,000. With a further issue of convertible bonds to a total par value of EUR 350,000,000 by Celesio Finance B.V., Netherlands, in April 2011 the authorisation granted to the Company by the Annual General Assembly on 6 May 2010 to issue option and/or convertible bonds was for the most part exhausted. In practical terms a further issue of option and/or convertible bonds to the exclusion of pre-emptive subscription rights pursuant to § 186 Section 3 Sentence 4 AktG is no longer possible on the basis of the authorisation of 6 May 2010. The 2009 contingent capital pursuant to § 3 Section 4 of the Articles of Association and the 2010 contingent capital 2010 pursuant to § 3 Section 5 of the Articles of Association serve to secure the subscription rights to Celesio shares of the owners of the convertible bonds issued under the two authorisations mentioned above. The Company regards it as a necessity to be able to resort to option and/or convertible bonds as a financing instrument. In order to provide the necessary flexibility in this method of generating capital, the authorisation granted by the Annual General Meeting on 6 May 2010 for the issue of option and/or convertible bonds, if this has not yet been exhausted, is to be revoked. In return a new authorisation for the issue of option and/or convertible bonds with the exclusion of pre-emptive subscription rights and further contingent capital (2013 contingent capital) is to be resolved. The 2013 contingent capital will secure the subscription rights to Celesio shares relating to the option and/or convertible bonds which are issued on the basis of the new authorisation.

The aim of the proposed new authorisation to issue option and/or convertible bonds ("convertible bonds") to a total nominal amount of up to EUR 500,000,000 and the creation of the related additional contingent capital of up to EUR 21,772,800 is to provide Celesio AG with the necessary flexibility in financing its activities and, with the consent of the Supervisory Board, to give the Management Board the scope to take advantage of flexible and quickly available finance in the interests of the Company, in particular when conditions on the capital market are favourable. The new authorisation replaces the authorisation to issue convertible bonds provided by the Annual General Meeting on 6 May 2010, which has for the most part been exhausted.

Shareholders have statutory subscription rights to convertible bonds which carry with them option or convertible rights or obligations (§ 221 Section 4 in conjunction with § 186 Section 1 AktG). In order to facilitate the relevant procedure, use is to be made of the possibility of issuing the convertible bonds to a bank or a consortium of banks with the obligation to offer the convertible bonds to shareholders in accordance with their subscription rights. Any enterprise involved in banking pursuant to § 53 Section 1 Sentence 1 or § 53b Section 1 Sentence 1 or Section 7 of the

Banking Act will be regarded as the equivalent of a bank (indirect subscription rights as defined by § 186 Section 5 AktG). The maximum volume of the contingent capital to be made available to secure the option or conversion rights or obligations amounts exactly to 10% of the existing share capital.

Exclusion of subscription rights for fractional amounts enables the display of a practicable subscription relationship with regard to the overall amount of the individual issue of convertible and/or option bonds. Without the exclusion of subscription rights for fractional amounts the technical implementation of the bond issue and the exercise of the subscription rights would be considerably more difficult, in particular where bonds are issued in round amounts. The exclusion of subscription rights in favour of the owners of existing option and conversion rights or obligations has the advantage that the option or conversion price for the option or conversion rights or obligations which have already been issued does not need to be discounted, which overall enables a higher cash inflow. Both cases of subscription right exclusion are therefore in the interests of the Company and its shareholders.

With the consent of the Supervisory Board the Management Board is also authorised to fully exclude the subscription rights of shareholders if the issue of convertible bonds bearing option or convertible rights or obligations leads to a share price which is not significantly below the market value of these convertible bonds. This enables the Company to take advantage of favourable market situations at short notice and to achieve better terms in determining the interest rate and issue price of the bond issue by aligning the terms closely with the market. Aligning the terms of the issue closely with the market and placing it without difficulty would not be possible if subscription rights were granted. Although § 186 Section 2 AktG allows for the subscription price (and accordingly the terms of these convertible bonds) to be published by the third last day of the subscription period, in view of the frequently observed volatility on the securities markets there is then still a market risk for a number of days, which leads to safety margins in determining the terms of the bond issue and accordingly to terms which do not reflect the market. Where there are subscription rights the uncertainty about whether these will be exercised (subscription behaviour) jeopardises the successful placing of the issue with third parties, or involves additional costs. Finally, where subscription rights are granted, the Company is not in the position to react at short notice to favourable or unfavourable market conditions because of the length of the subscription period, and is subjected to falling share prices during the subscription period which might lead to unfavourable financing of equity capital for the Company.

In the event of the full exclusion of subscription rights the provision of § 186 Section 3 Sentence 4 AktG will apply analogously pursuant to § 221 Section 4 Sentence 2 AktG. The limit on subscription right exclusions to 10% of share capital defined therein is to be complied with in accordance with the contents of the resolution. A corresponding provision of the authorisation resolution ensures that the 10% limit will not be exceeded even in the event of a reduction in capital, because the authorisation to exclude subscription rights is expressly prohibited from exceeding 10% of the share capital either at the time the authorisation becomes effective or – if this value is lower – at the time the authorisation is implemented. Included in the above-mentioned 10% limit are both new shares which are issued from authorised capital to the exclusion of subscription rights pursuant to § 186 Section 3 Sentence 4 AktG during the term of this authorisation up to the issue of convertible bonds with option or conversion rights or obligations but without subscription rights pursuant to § 186 Section 3 Sentence 4 AktG and shares which are acquired on the basis of a corresponding authorisation provided by the Annual General Meeting and sold pursuant to § 71 Section 1 No. 8

Sentence 5 in conjunction with § 186 Section 3 Sentence 4 AktG up to the issue of convertible bonds with option or conversion rights or obligations but without subscription rights pursuant to § 186 Section 3 Sentence 4 AktG.

§ 186 Section 3 Sentence 4 AktG also provides for the fact that the issue price must not be significantly lower than the stock exchange price. The aim of this is to ensure that there is no significant dilution of the share value. It can be calculated if such a dilution effect could occur in response to the issue of convertible bonds with option or conversion rights or obligations but without subscription rights by calculating the hypothetical stock exchange price of the convertible bonds on the basis of recognised actuarial methods and comparing this with the issue price. If a careful check shows that this issue price is only marginally below the hypothetical stock exchange price at the time the bonds are issued, the exclusion of subscription rights on account of the insignificant difference is permissible in accordance with the sense and purpose of the provisions of § 186 Section 3 Sentence 4 AktG. The resolution therefore provides for the fact that before issuing the convertible bonds bearing option or conversion rights or obligations the Management Board, after due checks, must come to the conclusion that the planned issue price will not lead to any significant dilution of the share value. This would virtually reduce the mathematical market value of any subscription rights to zero, which means that the exclusion of subscription rights would not lead to any significant economic disadvantage to shareholders. Regardless of such checks by the Management Board, it ensures that the terms of the bond issue can be determined in line with the market and accordingly the avoidance of any significant dilution of value in the event of the implementation of a bookbuilding process. With this process the convertible bonds are offered at a fixed issue price, but the individual terms of these convertible bonds (e.g. the interest rate and if applicable the maturity period) are determined on the basis of the purchase applications submitted by investors, as a result of which the overall value of the bond issue is fixed in line with the market. All these provisions ensure that there will be no significant dilution of the share value as a result of the exclusion of subscription rights.

In addition shareholders have the possibility of maintaining their share of the Company's share capital even after the exercise of conversion or option rights or when option or conversion obligations fall due by purchasing additional shares on the stock exchange. In contrast, authorisation to exclude subscription rights enables the Company to determine terms in line with the market, while providing the greatest possible reliability in terms of placing bonds with third parties and the ability to take advantage of favourable market situations at short notice.

The corresponding anticipatory resolutions providing the option of excluding subscription rights are standard practice. In all cases the Management Board will check carefully whether the issue of convertible bonds bearing option or convertible rights or obligations is in the interests of the Company and its shareholders. The Management Board will report to the next Annual General Meeting on each utilisation of the authorisation.

Supplementary information on Item 7 of the agenda

Information provided in accordance with § 5.4.1 Sections 4 - 6 of Germany's Corporate Governance Code:

a) Dr Florian Funck is a member of the Management Board of Franz Haniel & Cie. GmbH, Duisburg, which is the majority shareholder in Celesio AG and has a business relationship with Celesio AG and the Celesio Group. Dr Funck is a member of the Supervisory Board of Metro AG, Düsseldorf, and the Supervisory Board of TAKKT AG, Stuttgart, which both have a business relationship with Celesio AG and/or the Celesio Group or with which such a business relationship cannot be excluded. In addition Dr Funck has a small number of shares in TAKKT AG.

b) Mr Stephan Gemkow is Chairman of the Management Board of Franz Haniel & Cie. GmbH, Duisburg, which is the majority shareholder in Celesio AG and has a business relationship with Celesio AG and the Celesio Group.

c) Ms Pauline Lindwall has no personal or business relationship with the company, its corporate bodies or any shareholder with a significant shareholding in Celesio AG pursuant to 5.4.1 of Germany's Corporate Governance Code.

d) Mr W.M. Henning Rehder has no personal or business relationship with the company, its corporate bodies or any shareholder with a significant shareholding in Celesio AG pursuant to 5.4.1 of Germany's Corporate Governance Code.

e) Mr Patrick Schwarz-Schütte has no personal or business relationship with the company, its corporate bodies or any shareholder with a significant shareholding in Celesio AG pursuant to 5.4.1 of Germany's Corporate Governance Code.

f) Mr Hanspeter Spek is a member of the Management Board and shareholder of Sanofi S.A., Paris, France, which has a business relationship with Celesio AG and the Celesio Group.

Information provided in accordance with § 125 Section 1 Sentence 5 AktG:

a) Dr Florian Funck is a member of the following supervisory boards to be legally constituted:

- Metro AG, Member of the Supervisory Board,
- TAKKT AG, Member of the Supervisory Board.

He is not a member of comparable supervisory boards of business enterprises within Germany or abroad.

b) Mr Stephan Gemkow is a member of the following supervisory boards to be legally constituted:

- Evonik Industries AG, Member of the Supervisory Board,
- TAKKT AG, Chairman of the Supervisory Board.

He is a member of the supervisory boards of the following business enterprises within Germany and abroad:

- Amadeus IT Group S.A., Spain, Member of the Board of Directors

- Amadeus IT Holding S.A., Spain, Member of the Board of Directors
- JetBlue Airways Corp., USA, Member of the Board of Directors

c) Ms Pauline Lindwall is not a member of any supervisory boards to be legally constituted or of comparable supervisory boards of business enterprises within Germany or abroad.

d) Mr W.M. Henning Rehder is not a member of any supervisory boards to be legally constituted.

He is a member of the supervisory boards of the following business enterprises within Germany and abroad:

- Karl Kühne KG, Chairman of the Advisory Board.

e) Mr Patrick Schwarz-Schütte is a member of the following supervisory boards to be legally constituted:

- Heinrich-Heine-Universität Düsseldorf, deputy Chairman of the University Council / Chairman of the Financial Committee.

He is a member of the supervisory boards of the following business enterprises within Germany and abroad:

- BFP Financial Planning GmbH, Member of the Advisory Board,
- Mediengruppe M. DuMont Schauberg GmbH & Co. KG, Member of the Supervisory Board.

f) Mr Hanspeter Spek is a member of the following supervisory boards to be legally constituted:

- Hoechst GmbH, Chairman of the Supervisory Board,
- Sanofi-Aventis Deutschland GmbH, Chairman of the Supervisory Board.

He is a member of the supervisory boards of the following business enterprises within Germany and abroad:

- Sanofi-Aventis SpA (Italy), Member of the Board of Director
- Sanofi-Aventis Nichi-Iko K.K. (Japan), Chairman & Director
- Sanofi-Aventis K.K. (Japan), Director
- Sanofi SA (Sanofi AG) (Switzerland), Member of the Board of Directors
- Sanofi-Aventis (Suisse) SA (Switzerland), Member of the Board of Directors
- sanofi-aventis Pharma Beijing co. Ltd. (China), Chairman & Director
- sanofi (Hangzhou) Pharmaceuticals Co. Ltd. (China), Chairman & Director
- Hangzhou Sanofi Minsheng Consumer Health Care Co. Ltd. (China), Vice Chairman & Director

Further information about the candidates for election to the Supervisory Board of the Company (brief personal history) is available on the company's website at www.celesio.com/hauptversammlung.

Attendance at the Annual General Meeting

Pursuant to § 7 of the Articles of Association, those shareholders who are registered in the Company's share register are entitled to attend the Annual General Meeting and to exercise their voting rights, provided their registration to do so has been received by **12 p.m on Thursday, 9 May 2013** (the time of receipt will be decisive).

Registration to attend the Annual General Meeting may be sent by mail, fax or email to

Celesio AG
c/o Computershare Operations Center
80249 München
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de

or submitted online at www.celesio.com/hauptversammlung. To access the AGM online service, personal log-in details are required which will be sent to shareholders who are registered in the share register along with the invitation to the Annual General Meeting.

Registration to attend the Annual General Meeting does not preclude the tradability of shares; shareholders may therefore continue to freely dispose of their shares after having registered to attend. Voting rights are determined by reference to the shareholding recorded in the share register on the day of the Annual General Meeting. However, no deletions or new entries will be recorded in the share register on the day of the Annual General Meeting or on the last six days prior to the Annual General Meeting, in other words from 00:00 hrs on 10 May 2013 to 12 p.m. on 16 May 2013.

Shareholders who register to attend the Annual General Meeting will receive an admission ticket by mail if they desire. Admission tickets serve merely as organisational aids and not as a prerequisite for attending the Annual General Meeting and exercising voting rights. Please bring your admission ticket with you and have it ready for inspection at the main entrance to the Annual General Meeting. Those shareholders using the AGM online service can also print out their admission tickets themselves.

Proxy voting

Shareholders who are registered in Celesio AG's share register and who have registered to attend the Annual General Meeting pursuant to the conditions set forth above may also appoint a proxy, such as a bank, a shareholders' association or any other person of their choice. In these cases, too, registration by the above deadlines and in accordance with the above conditions will be required.

If neither a bank, a shareholders' association nor any other equivalent person under § 135 AktG is issued a proxy, the proxy must be issued in text form. This applies analogously to the verification and any revocation of proxy. Notification that a proxy has been granted may be made to the proxy or to the Company. Proxies may also demonstrate their power of proxy by producing the grant of proxy to the admission desk on the day of the Annual General Meeting. Verification of proxy may also be sent by mail, fax or email to:

Celesio AG
c/o Computershare Operations Center
80249 München
Fax: +49 89 30903-74675
Email: celesio-hv2013@computershare.de

The above channels are also available to shareholders wishing to grant proxies by notifying the Company; shareholders may also use the password-protected online AGM service at www.celesio.com/hauptversammlung for this purpose. No separate verification of the proxy need be presented to the Company in that event. Shareholders may also use the above channels to notify the Company directly of any revocation of proxy.

Special considerations may apply in relation to the appointment of a bank, a shareholders' association or person pursuant to § 135 (8) AktG, or any other equivalent institution or company under § 135 (10) in conjunction with § 125 (5) AktG as proxy and for the revocation and verification of such powers of proxy; in such event, shareholders are requested to consult with the proxy in due time with respect to any form of proxy which may be required. If a bank is registered in the share register, it may only exercise the voting rights attached to shares which it does not own if the shareholder has authorised it to do so.

If shareholders appoint more than one person to serve as proxy, the Company may reject one or more of these persons.

Shareholders registered in the share register will receive detailed information on issuing proxies along with their invitation to attend the Annual General Meeting and the admission ticket. Enclosed with the invitation is a form for issuing proxies. This information is also accessible online at www.celesio.com/hauptversammlung.

Company-appointed proxies

As an additional service, we offer the shareholders registered in our share register, who have registered in due time to attend the Annual General Meeting in accordance with the conditions set forth above, the opportunity to have the Company appoint a proxy to vote on their behalf. The required proxy form and corresponding voting instructions may be sent by mail, fax or email to:

Celesio AG
c/o Computershare Operations Center
80249 München
Fax: +49 89 30903-74675
Email: celesio-hv2013@computershare.de

or issued online at www.celesio.com/hauptversammlung. No separate verification of the proxy need be presented to the Company. The proxies appointed by the Company are required to vote in accordance with the instructions issued to them. Please note that proxies must be issued to Company-appointed representatives with instructions; otherwise they will be null and void.

The issue and revocation of proxies granted to Company-appointed representatives and modifications to instructions must be received at the above address, fax number, email address or website by 12 a.m. on 15 May 2013. You may appoint or revoke proxies and issue or rescind instructions to Company-appointed representatives on the day of the Annual General Meeting between 9:00 a.m. and shortly prior to the beginning of voting at the admission desk at the Annual General Meeting.

Shareholders registered in the share register will receive detailed information on issuing and revoking proxies and instructions along with their invitation to attend the Annual General Meeting and their admission ticket. Enclosed with the invitation is a form for issuing proxies. This information is also accessible online at www.celesio.com/hauptversammlung.

Procedure for voting by postal ballot

Shareholders who are entered in the share register may cast their votes by postal ballot, even if they do not attend the Annual General Meeting. Only those shareholders who are registered in the share register and who have registered to participate in the Annual General Meeting in accordance with the conditions set forth above may exercise their voting rights by postal ballot.

Postal ballots can be completed in written or electronic form, and must be received by the Company no later than 12 a.m. on 15 May 2013. Please fill out the form enclosed with this invitation and return it to the following address by mail, fax or email:

Celesio AG
c/o Computershare Operations Center
80249 München
Fax: +49 89 30903-74675
Email: celesio-hv2013@computershare.de

or use the password-protected AGM online service at www.celesio.com/hauptversammlung.

Shareholders registered in the share register will receive detailed information on postal ballots along with their invitation to attend the Annual General Meeting and their admission ticket. Enclosed with the invitation is a form for voting by postal ballot. This information is also accessible online at www.celesio.com/hauptversammlung.

Voting rights for voting by postal ballot are also determined by reference to the shareholding recorded in the share register on the day of the Annual General Meeting.

A postal ballot does not preclude attendance at the Annual General Meeting. If shareholders having already submitted postal ballots wish to attend the Annual General Meeting and exercise their rights as a shareholder or wish to issue a proxy, their attendance at the Annual General Meeting or proxy shall be deemed to render their postal ballot null and void.

Authorised banks, shareholders‘ associations or equivalent persons and institutions pursuant to § 135 (8) AktG and § 135 (10) in conjunction with § 125 (5) AktG may also use a postal ballot.

Shareholders' rights

Motions for addition to the agenda (§ 122 Section 2 AktG)

Shareholders whose combined holdings represent a proportionate interest equivalent to at least EUR 500,000 of the share capital (corresponding to 390,625 shares) may request pursuant to § 122 (2) AktG that items be placed on the agenda and announced. Each new item must be accompanied by supporting information or a draft resolution. The request must be received in writing by the Management Board of Celesio AG at least 30 days prior to the Annual General Meeting, i.e., no later than 12 p.m. on **15 April 2013.** Please send such requests to the following address:

Celesio AG
Management Board
c/o Corporate Legal
Neckartalstraße 155
70376 Stuttgart

Reference is made to the requirements set forth under § 122 (2) in conjunction with (1) sentence 3 AktG and § 142 (2) sentence 2 and § 70 AktG.

Counter-motions and nominations by shareholders (§§ 126 Section 1, 127 AktG)

Shareholders may submit counter-motions within the meaning of § 126 AktG against proposals by the Management Board and Supervisory Board regarding certain agenda items. They may also submit nominations within the meaning of § 127 AktG regarding the election of auditors and Supervisory Board members. The Company will publish counter-motions and nominations – including the name of the submitting shareholder, the grounds for the counter-motion (required only for counter-motions) and any statement by the management – on its website at www.celesio.com/hauptversammlung, provided that such counter-motions (incl. grounds) or nominations are received by the Company at least 14 days prior to the Annual General Meeting, i.e., no later than 12 p.m. on **1 May 2013** at the following address:

Celesio AG
Corporate Legal
Neckartalstraße 155
70376 Stuttgart
Telefax: +49 711 5001-590
E-Mail: legal@celesio.com

Counter-motions and nominations sent to any other address will not be considered.

Right to information (§ 131 Section 1 AktG)

Pursuant to § 131 (1) AktG, each shareholder of Celesio AG shall, upon request, be provided with information at the Annual General Meeting by the Management Board regarding the Company‘s affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. The duty to provide information also extends to legal and business relations between the Company and its affiliates as well as the position of the Group and that of the entities included in the consolidated financial statements.

Website providing access to information pursuant to § 124a AktG

This invitation to the Annual General Meeting, the documents to be made available to the Annual General Meeting and further information in connection with the Annual General Meeting (including more detailed information on shareholder rights in accordance with §§ 122 (2), 126 (1), 127, 131 (1) AktG) will be available at the Company's website under www.celesio.com/hauptversammlung immediately after the Annual General Meeting is convened.

The results of the voting will be announced on the same website following the conclusion of the Annual General Meeting.

The documents required to be made available to the Annual General Meeting will be laid out for inspection at the meeting on 16 May 2013.

Total number of shares and voting rights as at the date on which the Annual General Meeting is convened

The share capital of the Company is divided into 170,100,000 no-par value registered shares granting a total of 170,100,000 voting rights. The Company held no treasury shares at the date on which the Annual General Meeting was convened.

Webcast

The speech by the Chairman of the Management Board will be broadcast live on our website on the day of the Annual General Meeting, beginning at approximately 10.15 a.m. The Chairman's speech will also be available online following the conclusion of the Annual General Meeting.

Stuttgart, April 2013

Celesio AG

The Management Board