

**Speech on the occasion of the  
Annual General Meeting on 16 May 2013  
Markus Pinger  
Chairman of the Management Board and  
CEO**

Dear Shareholders,  
Honoured Guests,  
Ladies and Gentlemen,

I wish you good morning and welcome you, also on behalf of my Management Board colleagues Marion Helmes and Stephan Borchert, to today's Annual General Meeting of Celesio AG. I hope you had a pleasant journey here.

Against the background of a clearly negative development in earnings in 2011, we explained to you last year the necessity of realigning Celesio strategically. We presented the strategy and measures with which we will lead the company back to profitable growth. The year 2012 was marked by the implementation of these measures.

In doing so we have introduced a very profound process of change and further development at Celesio. This comprises not only our strategy but also our structures, processes and corporate culture. I

would like to thank you, our shareholders, for the trust that you have shown in supporting this change. The progress that we have achieved so far would not have been possible without your support.

I would also like to thank our employees. The past year was associated with a great deal of effort and many challenges. We owe the successes that we have achieved to the exceptional commitment of our workforce.

Ladies and gentlemen,

Perhaps the shortest formula for the aim of the realignment of Celesio is the title of this year's annual report: "More positive lives".

These three words contain the company's mission.

We want people to lead healthier lives. Health and well-being are the preconditions for a positive attitude and quality of life.

We are convinced that as a company we can contribute towards this with our services and innovations. We are aligning the company with this overriding goal. Of one thing we are certain: the more we achieve in this respect the more successful we will be.

Our strategic realignment, the key points of which we presented in October 2011, is based on this mission. These key points include long-term measures with which we intend to focus on our core business and develop it further strategically. This includes the establishment of a European pharmacy network under the brand name Lloyds, the refinement of our business model to ensure the complete end-to-end integration of our retail and wholesale activities, as well as regional expansion in our core business.

Our strategic realignment also includes short-term measures such as a review of the Manufacturer Solutions division and the Operational Excellence Programme. The aim of these measures was the rapid stabilisation of our business development and a sustained improvement in our competitiveness as a prerequisite for future growth.

Accordingly we have divided the priorities of our actions into three phases:

- For 2012 we set out to stabilise business developments. After the collapse in earnings in 2011, this was the most important short-term goal. In order to achieve this goal we launched the Operational Excellence Programme and started the sale of Manufacturer Solutions as well as other activities after a detailed review. Also we introduced a new group structure.

- The focus in 2013 is on the piloting of our new pharmacy and wholesale trade concepts.
- In 2014 the Lloyds pharmacy concept and the end-to-end integration of our activities into the market are to be introduced, which will lead to sustainable growth.

Ladies and gentlemen,

What have we achieved? After the significant decline in earnings in 2011 our main goal for 2012 was to stabilise business developments. We not only reached this goal - we exceeded it. And we did so even though we had to cope with new government austerity measures. We were able to compensate for these and also improved our operating profit by approximately 5% to around 580 million euro.

This improvement in earnings is mainly due to the measures included in the Operational Excellence Programme. As a result we improved the competitiveness and earning power of the company within a short time. The most important packages of measures included:

- The group-wide bundling of our procurement activities under the heading "Top in Class Procurement" (TIC)
- The first important steps in the optimisation of our logistics network, in particular the reduction in transport costs and the number of wholesale warehouses in the UK and Germany.

- The portfolio optimisation of our activities in Sweden after our market entry in 2010, with the aim of achieving a significant reduction in start-up losses.
- The groupwide reduction of administrative costs.

For the implementation of the measures of the Operational Excellence Programme, non-recurring expenditure totalling approximately 80 million euro was incurred in 2011, and around 40 million in 2012.

The successful implementation of the Operational Excellence Programme already made a positive contribution of around 40 million euro to earnings in 2012. This was critical for the achievement of our goals. We are expecting further positive effects from the continuation of the Operational Excellence Programme in the current year and in 2014.

Over the past year we have also made very good progress with our divestment programme. In the light of our focus on our core business we have discontinued activities that do not fit in with our strategic realignment.

We have sold the Manufacturer Solutions division including the Movianto and Pharmexx companies. Similarly, we have also sold off the DocMorris mail-order pharmacy and accordingly solved the so-called "channel conflict" with the German pharmacies.

I would like to remind you once more that DocMorris was bought in 2007 in the hope of a liberalisation of the German pharmacy market. This hope was reflected in the purchase price, which was high at the time. However, this hope was not fulfilled. Instead, the Netherlands-based mail-order pharmacy DocMorris was considered by the German pharmacies, the customers of GEHE, to be unfair competition. DocMorris granted discounts, which the German pharmacies were prohibited by law from doing. The consequence for GEHE was customer losses and a fall in profits. It was only possible to recover these with difficulty. In 2012 it was also forbidden for foreign mail-order pharmacies to grant discounts.

Not only DocMorris, but also Movianto and Pharmexx were acquired at the time for high purchase prices. The associated strategic expectations of being able to develop an independent division with unregulated activities were not fulfilled either. In addition, from the time of their acquisition the operating performance of all three companies was not satisfactory. The sale of these three businesses was therefore associated with high non-cash impairment losses on the balance sheet.

In addition we sold two smaller businesses whose market positions were not very promising for us in the Czech Republic and Ireland.

We are pleased that in the interests of the employees of these companies we were in all cases able to find strategic investors who intend to further develop these businesses. Nevertheless, a

changeover to a new owner is not an easy step for employees. I would therefore like to take this opportunity to explicitly thank the employees of these companies for their dedication and the courage that they have also shown in this difficult situation.

We were able to successfully conclude all of the substantial planned divestments in 2012 sooner than expected. In Ireland the closing occurred yesterday. Overall, we have earned 325 million euro from the sale of these business activities. On the other hand, however, we have had to absorb total impairment losses of approximately 260 million euro. Following the sale of these commercial activities we can now fully focus on further developing our core businesses.

As part of our realignment we have introduced a new standardised corporate structure throughout the group. This structure places the processes of "Marketing and Sales" and "Operations" at its core. As a result it forms a comprehensive end-to-end business model stretching from the final customer to the manufacturer and enabling faster implementation of our corporate strategy and its growth initiatives. The new structure promotes cooperation across countries, the exchange of best practice and the grouping of functions. As a result we will become leaner, fitter and increase the efficiency of our organisation.

Ladies and gentlemen,

Last year we worked not only on stabilising business developments. We have also put the company on course for future growth. Following

the takeover of the Brazilian company Oncoprod in October 2011, we acquired the remaining shares in the Brazilian pharmaceutical wholesaler Panpharma in April 2012. We now own 100% of the shares. We therefore have the opportunity for the first time to carry out important structural improvements more quickly and effectively. We can now also implement our strategy to the full extent in Brazil.

We reached a further important stage at the end of 2012 with the development of our new pharmacy concept. As early as December 2012 the first four pilot pharmacies were opened in Italy and the UK. These differ from one another in terms of location and site selection, as well as in the range of products and pharmacy size. I will be reporting to you later in greater detail on the first results from the pilot pharmacies and the next steps.

Ladies and gentlemen,

Before I go into the figures on business developments in detail, I would like to present a brief summary:

- During the last fiscal year we made great progress - operationally, strategically and structurally.
- We not only stabilised our operating profit, but also improved it.
- With the Operational Excellence Programme and the divestment programme we successfully implemented two key elements of our strategic realignment.
- We introduced a new structure that makes us more powerful.

- With the complete takeover of Panpharma we continued our regional expansion and further strengthened our position in the growth market of Brazil.
- We developed our new pharmacy concept and opened the first four pilot pharmacies.

The first phase of the realignment has therefore been successfully completed. Celesio is now back on solid ground.

This successful stabilisation is also apparent when one looks at the figures for the 2012 fiscal year. For a better understanding of the figures, I would like to make a preliminary remark. In our reporting for 2012 we have made a distinction between continuing and discontinued operations. The discontinued operations include the business units that have been sold in the meantime, i.e. DocMorris, Pharmexx and Movianto.

In continuing operations we have adjusted our earnings figures with respect to expenditure from the Operational Excellence Programme and necessary impairment losses. These represent one-off effects and therefore do not reflect the earning power of the company.

Ladies and gentlemen,

In 2012 the environment remained challenging. In particular, austerity measures on the public healthcare market and the so-called "patent cliff" had an impact. Patent cliff means that numerous previously patented blockbuster pharmaceuticals were replaced by cheaper generics when the relevant patent protection came to an end.

Nevertheless, we were able to increase our revenue slightly by 0.5 per cent to 22.3 billion euro. The foreign share was 82%.

The adjusted EBITDA improved - as already mentioned - by 4.5 per cent to about 580 million euro, and the adjusted EBIT by 3.5 per cent to nearly 445 million euro. The unadjusted EBITDA increased by 9.5% and the EBIT by 20.2%.

We were able to increase the adjusted net profit from continuing operations by 6,8 per cent to about 214 million euro.

For the discontinued operations, the result was around minus 259 million euro. The cause of this is value adjustments and deconsolidation results of approximately the same total amount of around 260 million euro. I have already explained to you in detail the reason for these impairment losses. At this point I would therefore only like to make clear once more: when we sold these companies, we achieved market prices which were at the upper end of our expectations. However, they did not correspond in any way to the original purchase prices. This difference mainly demonstrates the fact

that the strategic and operational expectations associated with the acquisition were not fulfilled. For this reason it became necessary to absorb impairment losses during the course of the sales process. The annual results of the group from the sum total of the continuing and discontinued operations therefore amounted to -149 million euro.

Ladies and gentlemen,

Let me now turn briefly to the financial situation before going on to the divisions.

We are also satisfied with our key financial figures. Although the free cash flow of the continuing operations fell last year from 291 million to 37.5 million euro, the decline resulted almost exclusively from the purchase of the 49.9 per cent stake in Panpharma.

Despite the acquisition of the outstanding shares in Panpharma at a price of approx. 255 million euro, we were also able to reduce our net financial debt by almost 60 million euro in 2012. Similarly, we also reduced our net working capital again last year.

Our goal of keeping the ratio of net financial debt to the adjusted EBITDA below 3 was clearly achieved with a figure of 2.7 in 2012.

The equity ratio was stable at 27.7 per cent.

Overall, we can say that last year we succeeded in stabilising not only the operational, but also the financial development of Celesio. In doing so we laid a solid foundation for profitable growth.

In the Consumer Solutions division – our pharmacy business – revenue increased by 5.1 per cent to 3.5 billion euro. This is mainly due to positive currency effects and the good developments in Sweden and Norway.

When EBITDA is adjusted for special effects we were able to increase it in the division by nearly 32% to 278.5 million euro, and the adjusted EBIT by even more - 39% - to 215 million euro.

The British pharmacy business of Lloyds Pharmacy made a decisive contribution to this pleasing development. In addition, the Operational Excellence Programme has had a positive effect.

A further positive development was the pharmacy business in Norway, above all with freely available products. The fledgling Swedish pharmacy business also made significant progress. As part of the Operational Excellence Programme we were able to significantly reduce the start-up losses with our rapidly introduced and consistently implemented measures.

In the Pharmacy Solutions division, our wholesale business, revenue in the last fiscal year was slightly below that of the previous year. Here too, the reasons for this are the effects of the above-mentioned patent cliff and the impact of government regulations in France, our largest wholesale market.

In contrast, our wholesale business in Norway, Austria and Denmark developed positively. The Brazilian subsidiary Oncoprod, which was included for a whole year for the first time, also made a positive contribution towards revenue development.

Adjusted for special effects EBITDA fell significantly in the division by 11.6 per cent to 380 million euro, and the adjusted EBIT by 13.7 per cent to about 320 million euro. Here the introduction of a new margin system in France had an adverse effect in particular. This is a state regulation relating to remuneration for the wholesale business.

In Brazil we have completely taken over Panpharma and started as planned with measures to optimise structures and processes. This will have a positive impact in the future. However, the expenditure required for this initially had a negative effect on earnings in 2012. A negative impact was also felt as a result of the change to the framework conditions of the VAT system. Moreover, after the complete takeover of Panpharma a major customer reduced its order volumes.

The wholesale trade in Germany displayed positive developments - with contributions towards this being made by successful cost

management and the effects of the law on the reorganisation of the pharmaceutical market, known as AMNOG for short.

Ladies and gentlemen,

The positive overall development of the company is also shown by the 5% increase in adjusted earnings per share. We would like to ensure that our shareholders can participate in this. Therefore the Management Board and Supervisory Board hereby propose to the Annual General Meeting an increase in the dividend by 20% to 30 cents per share.

For the purposes of dividend continuity we are sticking to our dividend policy of paying out 30% of net profit adjusted for non-cash special effects to our shareholders. We are doing this on the basis of the positive operating development of the company and in view of the fact that the one-off expenditures and impairment losses associated with the realignment of the company were completed in 2012.

Ladies and gentlemen,

So much for the figures for the last fiscal year. So I would like to conclude the review and to turn to the future. After the completion of the stabilisation phase, we want to take advantage of the opportunities offered by our markets and generate sustainable profitable growth.

The global pharmaceutical and healthcare markets will also be characterised in the coming years by an increasing demand for healthcare products and services. This will be a consequence in

particular of the growing and ageing world population, and unfortunately also an increase in chronic diseases, as well as increased investment in healthcare in the developing countries. These are also the significant drivers of worldwide growth.

In contrast, the highly developed European markets will continue to be dominated by increasing cost pressure on their healthcare systems - and therefore also on the margins of the market participants. Government regulations will make a contribution towards this, as will the patent cliff which I have already referred to several times.

The continuing pressure on healthcare systems will promote the deregulation of the markets. The United Kingdom, Norway and Sweden have already been deregulated. Initial liberalisation steps and considerations are now also being undertaken in Italy, Denmark and Spain.

Where liberalisation is taking place there is also consolidation. This is shown by the recent large takeovers and mergers, especially in the pharmaceutical retail trade. This development is resulting in some of the purchasing power and trade margins being transferred from the wholesale trade to the retail pharmaceutical business.

Our response to this development in the markets is called "forward integration". In view of the growing importance of the pharmaceutical

retail sector we intend to proactively expand our own pharmacy business and integrate it throughout Europe into a powerful network.

On the basis of a Lloyds pharmacy business that is networked throughout Europe we will be connecting the entire value-added chain - from the patients and consumers to the manufacturers - into a continuous and seamless process. This means that we will be bringing together the pharmacies and the wholesale business to form a fully integrated business model. This will enable us to generate significant benefits in terms of efficiency and speed for our customers and for ourselves.

We will be implementing this integrated business model with our key strategic projects.

Our new pharmacy concept under the "Lloyds" brand is the pivotal point of our realignment. It represents the centrepiece of our planned European pharmacy network.

In close coordination with the pharmacy business we will continue to develop the wholesale business under the keywords of an "end-to-end supply chain". Through the integration and intelligent management of all logistics stages and processes from the manufacturer to the patient it is possible to achieve substantial gains in efficiency.

Owing to its levels of efficiency, this integrated business model, i.e. the effective integration of the pharmacy business and the wholesale

business, is also of interest to emerging and developing countries which are interested in an efficient healthcare system.

In the implementation of our strategy the subject of Operational Excellence is to be understood as a basis for any future market success. In the coming years we will also be working on ways to improve our efficiency.

Ladies and gentlemen,

Let me briefly touch on these topics and projects in detail.

First of all I would like to refer to our new pharmacy concept, which we presented in December 2012. This consists of three modules:

- Firstly, the branding concept: We have decided to introduce our pharmacy concept throughout Europe with a clear value proposition under the brand name of "Lloyd's".
- Secondly, the actual pharmacy concept: We have developed numerous innovative service formats for our patients and customers. We are initially focusing on two aspects, with the topics of "skin" and "pain." We are training our personnel through independent organisations and making use of state-of-the-art technologies. And we are redesigning our pharmacies from the ground up. The design and layout promote consultation and

dialogue with patients and consumers.

- Thirdly, the cooperation concept: We want to offer our new service concepts and the benefits of a partnership network in full to our cooperation partners. In doing so it is our intention to provide support to the independent pharmacies.

Our pharmacy concept is unique in Europe with respect to the combination of all of its elements. Unlike other competing concepts it focuses on the pharmaceutical expertise of pharmacists. Here we can see the key differentiator in the competition, for example with drug stores.

With the new pharmacy concept we want to develop a pan-European Lloyds pharmacy network. The aim is that this should become the most innovative pharmacy network in Europe.

We will offer independent pharmacies the opportunity of participating in a fair partnership, so that they can benefit from the advantages of this network. This will contribute towards securing the future of independent pharmacies.

We expect significant growth, especially in the area of non-prescription pharmaceuticals. Here we will focus on integrated offers, i.e. on a combination of product, service and advice. Examples of this are our priority categories of "skin" and "pain" at our pilot pharmacies.

At the same time we want to grow with innovative healthcare services. One example is the "MyMed" patient service, which we are already offering in Ireland, the United Kingdom and Italy. It offers the right individual and already pre-packed medication doses and the timely reminder of the medication via mobile or smartphone. This service supports patients with treatment adherence. This avoids errors taking the medication and leads to a reduction in health expenditures.

And last but not least, we will achieve economies of scale in purchasing through a Europe-wide pharmacy network.

Another great advantage of our European pharmacy network is economies of scale in purchasing. As a result of the close cooperation with the pharmacy business, the wholesale business will also benefit directly. However, a fully integrated business model from the manufacturer to the patient also requires the further development of the wholesale business.

A look at the current structures in the pharmaceutical trade and pharmaceutical logistics shows: Manufacturers, distributors, the wholesale business and pharmacies maintain their own storage and logistics capabilities. This results in high levels of inefficiency and unnecessary costs.

Here, the wholesale business finds itself in an unfavourable middle position. It comes under pressure from two sides. Manufacturers often look for the most direct route to the retail trade under the slogan:

"direct to pharmacy". As a result, some of the product flows bypass the wholesale business.

We want to lead the wholesale business out of this unfavourable middle position and make it the backbone of an integrated business model. In this way Celesio is developing into a logistics provider which efficiently combines previously isolated stages to the advantage of all market participants and integrates the entire value-added chain. All in all, on the basis of the overall integration and the use of tailor-made solutions, Celesio will develop into a preferred logistics partner for pharmaceutical manufacturers.

Ladies and gentlemen,

So much for the key strategic projects with which we intend to further develop our pharmacy business and our wholesale business and link them into an integrated business model. We are convinced that with this we can increase our market shares over the long term and grow sustainably as a company.

We also want to grow through regional expansion in the emerging and developing countries. These are increasingly investing in the development of an efficient healthcare system. Here, we want to be the preferred partner with our innovative concepts.

First of all, however, we will integrate our Brazil business more closely into the overall group, optimise structures and processes and invest in modern logistics.

Let me make a further comment at this point. I have already mentioned the major acquisitions and mergers that have made headlines in our market in the last few weeks and months. These are aimed not least at increasing purchasing power through the pooling of business activities.

We have already started with the pooling of procurement activities within the Celesio group. The long-term development of an international purchasing platform is part of our evolution towards a fully integrated business model that connects patients and manufacturers with one another.

With the introduction of innovative pharmacy concepts and the development of a pan-European pharmacy network we will not only become attractive to patients and consumers. We will also become an attractive partner for pharmaceutical manufacturers. We are offering them improved access to the final customer, as well as efficient distribution. This is reflected in international purchasing.

Last year we were already able to achieve the first significant savings by pooling the purchasing of generic products. We are expanding this pooling to include other products and product groups. I am confident that this will ultimately lead to significant savings. The pooling of procurement activities as part of the integrated business model will

therefore help to ensure that our growth in the coming years is profitable.

Ladies and gentlemen,

So much for our growth strategy. Let me now briefly turn once more to our strategic roadmap and the year 2013.

In the current fiscal year we want above all to conduct the piloting of our new concepts under the heading of "realignment". It is our intention to develop these to market readiness and begin with the general market roll-out from 2014 on.

The initial reactions to our new pharmacy concept show that we are on the right track. We have conducted many interviews with clients and presented our pilot pharmacies to well-known pharmaceutical manufacturers. The feedback has been exceptionally positive from both sides.

This is also reflected in the figures. Initial - and of course provisional - results from the pilot pharmacies confirm that with the new category concepts and innovative service offerings it is possible to considerably increase the revenue and profit margins of the pharmacies.

On the basis of these positive results we will be carrying out "accelerated piloting" in 2013. In the United Kingdom and Italy we are going to open additional pilot pharmacies. We will be introducing the concept this year in Sweden, Norway, Belgium and Ireland. Overall we want to expand the piloting of the new concept in 2013 to as many as 95 pharmacies in six countries, before starting with the broad market launch in 2014.

Ladies and gentlemen,

The start to the new year was strategically encouraging - but difficult from the operational point of view, unfortunately. Because we reported on the developments in the first three months of 2013 in detail two days ago I will confine myself here only to the essential figures.

As expected, the first quarter of 2013 fell below that of last year. The decline was mainly due to the intensive discount competition in Germany for month, which is still continuing, and the impact of government measures in France. There, a new margin system was introduced by the government, which we compensated by anticipatory medications purchase in the pre-year period. Now it shows its full effect on earnings. Furthermore the earnings development was also burdened by the integration of Panpharma in Brasil.

The weaker development in the first quarter of 2013 was not unexpected for us. We have taken it into account in our planning for the current fiscal year and expect the second half of the year to be

strong. Then the positive effects of the efficiency measures that we have introduced in Germany and Brazil will be felt.

Overall, we are expecting the difficult environment in the current fiscal year to remain unchanged. We do not assume that in Germany the current discount war will continue throughout the year. In Brazil we will be investing in the optimisation and modernisation of the Panpharma business.

These stresses and strains will be compensated for by positive effects. We have strong market positions in our core European countries. Our new pharmacy concept will promote the positive development that we have achieved up to now in the pharmacy business. The Operational Excellence Programme will result in further cost reductions, mainly through the pooling of procurement activities. The progressive integration of our processes and structures will enable further efficiency gains.

Against this background, we see the development in our earnings in 2013 from today's perspective as being at least stable to positive. In spite of a difficult environment, we currently expect to achieve an adjusted EBIT of between 445 million and 475 million euro and an adjusted EBITDA of between 580 million and 610 million euro. We confirm our outlook communicated on the annual press conference in March this year.

Ladies and gentlemen,

So much for the developments of the last fiscal year, our strategy and the outlook for 2013. Let me now turn briefly to the agenda for today's Annual General Meeting.

In addition to the usual formalities, we are presenting proposed resolutions for the approval of the remuneration of the members of the Management Board and an adjustment to the remuneration of the members of the Supervisory Board. In addition the Supervisory Board is to be elected.

Under agenda item 9 we are asking you again for the authorisation to issue bonds with warrants and convertible bonds with the option of excluding subscription rights, and thereby creating additional conditional capital. The validity of this new authorisation will be limited to 15 May 2018. If it has not yet been exploited, the previous authorisation is to be cancelled. We reported in detail on the proposed resolution in the invitation to today's Annual General Meeting. I refer explicitly to this report by the Management Board.

Ladies and gentlemen,

To conclude my remarks, I would like to reiterate the following: what we planned and promised to do at the end of 2011 for 2012 we have achieved and delivered. We have therefore completed the important first stage of our strategic realignment.

Anyone who has read the newspapers over the last few weeks will have learned that 2013 will be a difficult year for many companies and sectors of the economy. For Celesio 2013 is a year of transition: In 2013 we will be building on the successes that we have already achieved and further developing our core business with innovative concepts into an integrated end-to-end business model. These concepts and this business model will be introduced to the market in 2014. We see great potential for Celesio and are confident that we will realise this potential in the coming years.

To do this, I am asking you furthermore for confidence and like to thank you again for the support you have shown us last year. It was a very challenging year for the company and its employees. Thank you very much for giving me your attention.