

# Invitation to the 2012 Annual General Meeting

ISIN: DE000CLS1001  
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## **Convenience Translation**

This translation is legally irrelevant and a working translation only. Legally binding and relevant, particularly in case of any discrepancies, is solely the German text.

**celesio**

# 7-year summary of the Celesio Group

			2005	2006	
<b>Earnings development</b>					
Revenue	EUR M	—	20,491.1	—	21,569.1
Gross profit	EUR M	—	2,235.5	—	2,431.6
adjusted	EUR M	—	2,235.5	—	2,431.6
EBITDA	EUR M	—	745.9	—	803.7
adjusted	EUR M	—	745.9	—	803.7
EBIT	EUR M	—	648.2	—	685.8
adjusted	EUR M	—	648.2	—	685.8
Profit before tax	EUR M	—	554.5	—	590.1
adjusted	EUR M	—	554.5	—	590.1
Net profit/loss	EUR M	—	<sup>7)</sup> 386.0	—	425.6
adjusted	EUR M	—	<sup>7)</sup> 386.0	—	425.6
Earnings per share (basic)	EUR	—	<sup>7)</sup> 2.24	—	2.49
adjusted	EUR	—	<sup>7)</sup> 2.24	—	2.49
<b>Financial position</b>					
Net cash flow from operating activities <sup>8)</sup>	EUR M	—	460.7	—	733.1
Net cash flow from investing activities	EUR M	—	-499.5	—	-325.2
<b>Assets position<sup>9)</sup></b>					
Total assets	EUR M	—	7,511.7	—	7,926.5
Equity	EUR M	—	2,284.2	—	2,628.1
Eigenkapitalquote	%	—	30.4	—	33.2
Gearing			0.90	—	0.72
Net financial debt	EUR M	—	2,060.8	—	1,886.3
Non-current assets	EUR M	—	3,225.1	—	3,446.8
Current assets	EUR M	—	4,286.6	—	4,479.7
Non-current liabilities	EUR M	—	2,110.0	—	1,962.8
Current liabilities	EUR M	—	3,117.5	—	3,335.6
Capital expenditures and investments <sup>10)</sup>	EUR M	—	579.2	—	350.9
<b>The share</b>					
Closing share price (Xetra) <sup>11)</sup>	EUR	—	36.33	—	40.64
Dividend per share <sup>11)</sup>	EUR	—	<sup>6)</sup> 0.70	—	0.75
Dividend yield <sup>13)</sup>	%	—	1.9	—	1.8
<b>Employees (full-time equivalents)<sup>9)</sup></b>					
			<b>26,090</b>	—	<b>26,832</b>
<b>Employees (headcount)<sup>9)</sup></b>					
			<b>35,407</b>	—	<b>36,442</b>
<b>Retail pharmacies<sup>9)</sup></b>					
			<b>2,045</b>	—	<b>2,100</b>
<b>Wholesale branches<sup>9)</sup></b>					
			<b>138</b>	—	<b>135</b>

1) Restated due to a change in accounting policies in the Movianto business area.

2) Adjusted for non-recurring effects (including tax effect) primarily in connection with the Operational Excellence Program.

3) Adjusted for impairment losses recognised on intangible assets (including tax effect).

4) Restated to reflect the completion of the purchase price allocation for the Panpharma acquisition.

5) Additionally adjusted for special effects in the financial result (including tax effect).

6) This includes a special dividend of eur 0.03.

## Convenience Translation

	2007	2008	2009	2010	2011
	22,349.5	- <sup>1)</sup> 21,166.6	— 21,497.2	— 23,277.6	— 23,026.4
	2,523.7	— 2,410.5	— 2,507.2	— 2,838.1	— 2,749.9
	2,523.7	— 2,410.5	— 2,507.2	— 2,838.1	— <sup>2)</sup> 2,753.9
	842.5	— 657.3	— 627.6	— 699.2	— 514.8
	842.5	— 657.3	— 627.6	— 699.2	— <sup>2)</sup> 578.3
	727.7	— 256.2	— 237.6	— 565.6	— 236.8
	727.7	— <sup>3)</sup> 543.2	— <sup>3)</sup> 511.9	— 565.6	— <sup>2) 3)</sup> 434.9
	608.8	— 125.2	— <sup>4)</sup> 119.5	— 409.3	— 104.0
	608.8	— <sup>3)</sup> 412.2	— <sup>3) 5)</sup> 403.6	— <sup>5)</sup> 454.0	— <sup>2) 3) 5)</sup> 323.3
	435.4	— -18.5	— <sup>4)</sup> 6.5	— 265.0	— 6.1
	435.4	— <sup>3)</sup> 268.5	— <sup>3) 5)</sup> 282.4	— <sup>5)</sup> 309.1	— <sup>2) 3) 5)</sup> 204.5
	2.53	— -0.12	— <sup>4)</sup> 0.02	— 1.52	— 0.01
	2.53	— <sup>3)</sup> 1.56	— <sup>3) 5)</sup> 1.64	— <sup>5)</sup> 1.78	— <sup>2) 3) 5)</sup> 1.18
	170.7	— 536.4	— 578.2	— 652.3	— 559.3
	-528.0	— -265.2	— -203.1	— -124.0	— -200.4
	8,343.2	— 7,523.3	— <sup>4)</sup> 8,075.6	— 8,402.7	— 8,794.3
	2,819.6	— 2,269.6	— <sup>4)</sup> 2,352.1	— 2,601.1	— 2,577.8
	33.8	— 30.2	— 29.1	— 31.0	— 29.3
	0.84	— 0.97	— 0.87	— 0.66	— 0.63
	2,345.7	— 2,205.2	— 2,040.4	— 1,722.5	— 1,618.7
	3,867.0	— 3,287.1	— <sup>4)</sup> 3,443.1	— 3,450.8	— 3,601.3
	4,476.2	— 4,236.2	— 4,632.5	— 4,951.9	— 5,193.0
	2,325.0	— 2,257.5	— <sup>4)</sup> 2,432.9	— 2,292.6	— 2,232.1
	3,198.6	— 2,996.2	— <sup>4)</sup> 3,290.6	— 3,509.0	— 3,984.4
	679.7	— 265.1	— 381.5	— 198.8	— 272.7
	42.50	— 19.40	— 17.70	— 18.60	— 12.24
	0.77	— 0.48	— 0.50	— 0.50	— <sup>12)</sup> 0.25
	1.8	— 2.5	— 2.8	— 2.7	— 2.0
	27,748	— 28,354	— 35,408	— 36,441	— 36,670
	37,516	— 37,746	— 46,095	— 46,826	— 46,977
	2,273	— 2,337	— 2,296	— 2,277	— 2,281
	123	— 120	— 137	— 133	— 141

7) Adjusted for trade tax reimbursements.

8) Since 2008, interest paid and received is allocated to cash flow from financing activities.

9) Closing figures as of 31 December.

10) Since the 2010 fiscal year, investments and capital expenditures do not include additions to non-current financial assets or loans.

11) Adjusted for the 1:2 share split carried out on 24 July 2006.

12) Proposed by the Management Board and Supervisory Board to the 2012 annual general meeting.

13) Related to the closing share price (Xetra).

Dear Shareholders,

You are hereby invited to attend the  
Annual General Meeting of Celesio AG  
**Tuesday, 16 May 2011, 10:00 a.m.,**  
at the Porsche-Arena,  
Mercedesstrasse 69, 70372 Stuttgart.

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# Agenda

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- 1. Presentation of the adopted annual financial statements of Celesio AG and the approved consolidated financial statements as at 31 December 2011, 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 financial year 2011**

The aforementioned documents can be accessed at [www.celesio.com/hauptversammlung](http://www.celesio.com/hauptversammlung). These documents will also be available for inspection at the Annual General Meeting. The Management Board will discuss these documents and the Chairman of the Supervisory Board will comment on the Report of the Supervisory Board at the Annual General Meeting. This agenda item will not be subject to any resolution.

- 2. Resolution on the appropriation of net retained profit for financial year 2011**

The Management Board and the Supervisory Board propose that the net retained profit of EUR 85,952,000.00 reported for financial year 2011 be appropriated as follows:

- a) Distribution of a dividend of EUR 0.25 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 42,525,000.00.
- b) To carry forward EUR 43,427,000.00 to new account.

The dividend is payable on 18 May 2012.

- 3. Resolution to ratify the actions of the members of the Management Board for financial year 2011**

The Management Board and the Supervisory Board propose that the actions of the Management Board members holding office during financial year 2011 be ratified for this period.

- 4. Resolution to ratify the actions of the members of the Supervisory Board for financial year 2011**

The Management Board and the Supervisory Board propose that the actions of the Supervisory Board members holding office during financial year 2011 be ratified for this period.

## 5. Election of the auditor and Group auditor for financial year 2012

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 financial year 2012, as well as to perform the audit review of the half-yearly financial report and the quarterly financial reports for financial year 2012 and the audit review of the quarterly financial report for financial year 2013, to be prepared prior to the Annual General Meeting in 2013, if an audit review of these reports is commissioned.

## 6. Resolution on the election of a new member 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).

Prof. Klaus Trützschler, who was elected to the Supervisory Board by the Annual General Meeting on 30 April 2008 for a term of five years, has resigned his office with effect from the conclusion of the Company's Annual General Meeting on 16 May 2012. Therefore, a new member must be elected.

Nominations are not binding on the Annual General Meeting.

Based on the recommendation of the Nomination Committee, the Supervisory Board nominates Dr. Florian Funck, Essen, member of the Management Board of Franz Haniel & Cie. GmbH, as shareholder representative on the Supervisory Board.

Dr. Funck is a member of the following supervisory boards to be created by law:

- - TAKKT AG, Stuttgart
- - SmartLoyalty AG, Wiesbaden.

He is not a member of any comparable German or foreign supervisory bodies of commercial enterprises.

## **7. Resolution on the creation of a new Authorised Capital (Authorised Capital 2012), on the exclusion of pre-emptive subscription rights and the corresponding amendment to the Articles of Association**

The Management Board's authorisation pursuant to § 3 (2) of the Articles of Association to increase, with the consent of the Supervisory Board, the Company's share capital on one or several occasions by up to a total of EUR 43,545,600 by issuing new no-par value registered shares against cash contributions (Authorised Capital 2007) expires on 25 April 2012. In order to provide management with the room to manoeuvre that had previously been afforded to it, Authorised Capital 2007 shall be replaced by a new Authorised Capital 2012.

The Management Board and the Supervisory Board propose adoption of the following resolution:

- a) The Management Board is authorised, with the consent of the Supervisory Board, to increase the Company's share capital on one or several occasions on or before 15 May 2017 by up to a total of EUR 43,545,600 by issuing new no-par value registered shares against cash contributions (Authorised Capital 2012). In the event of such an increase, the shareholders shall be granted pre-emptive subscription rights; however, the Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' pre-emptive rights for fractional amounts.

Pursuant to § 186 (5) AktG, the new shares may also be purchased by banks, subject to the stipulation that they offer the shares to shareholders for subscription (indirect subscription right).

The Management Board is also authorised, with the consent of the Supervisory Board, to stipulate the further details of the capital increase and its implementation, particularly with regard to share rights and the terms and conditions of the share issue.

- b) § 3 (2) of the Articles of Association shall be amended and reworded as follows:

„The Management Board is authorised, with the consent of the Supervisory Board, to increase the Company's share capital on one or several occasions on or before 15 May 2017 by up to a total of EUR 43,545,600 by issuing new no-par value registered shares against cash contributions (Authorised Capital



2012). In the event of such an increase, the shareholders shall be granted pre-emptive subscription rights; however, the Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' pre-emptive subscription rights for fractional amounts.

Pursuant to § 186 (5) AktG, the new shares may also be purchased by banks, subject to the stipulation that they offer the shares to shareholders for subscription (indirect subscription right).

The Management Board is also authorised, with the consent of the Supervisory Board, to stipulate the further details of the capital increase and its implementation, particularly with regard to share rights and the terms and conditions of the share issue."

- c) The Supervisory Board is authorised to amend the language of § 3 of the Articles of Association to reflect any utilisation of Authorised Capital 2012 or after the authorisation period has expired.

The report of the Management Board on this agenda item is reproduced at the end of the agenda.

#### **8. Resolution on the authorisation to acquire and utilise treasury shares pursuant to § 71 (1) no. 8 AktG and to exclude pre-emptive tender rights upon acquisition and to exclude pre-emptive subscription rights upon utilisation**

Since the authorisation to acquire treasury shares resolved by the Annual General Meeting on 6 May 2010 expired at the conclusion of 4 November 2011, it shall be proposed to the Annual General Meeting that it resolve a new authorisation.

The Management Board and the Supervisory Board propose adoption of the following resolution:

- a) The Company is authorised to acquire treasury shares on or before 15 May 2017 representing up to a total of 10% of the share capital existing at the date the resolution is adopted or – if this amount is less – the share capital existing at the date this authorisation is exercised. The shares acquired based on this authorisation – together with the other shares of the Company which the Company had previously acquired and still owns or which are ascribed to it pursuant to §§ 71d and 71e AktG – may at no time amount to more than 10% of the share capital. The authorisation may not be used for trading in treasury shares.

At the Management Board's discretion, treasury shares may be purchased (1) on the open market or (2) by way of a public tender offer addressed to all shareholders of the Company or by way of a public invitation to submit sales offers addressed to all shareholders of the Company.

- (1) If treasury shares are acquired on the open market, the consideration per share paid by the Company (excluding incidental transaction costs) may not deviate by more than 10% above or below the trading price calculated for the shares of the Company in the opening auction in Xetra trading (or a comparable successor of the Xetra system) on the Frankfurt Stock Exchange on the date on which the shares are traded.
- (2) If the treasury shares are acquired by way of a public tender offer addressed to all shareholders of the Company or by way of a public invitation to submit sales offers addressed to all shareholders of the Company, the purchase price, or the limits of the purchase price range, offered per share (excluding incidental transaction costs) may not deviate by more than 10% above or below the average of the trading prices of the shares of the Company calculated in the closing auction in Xetra trading (or a comparable successor of the Xetra system) on the Frankfurt Stock Exchange during the last three trading days before the date the public tender offer or the public invitation to submit sales offers is publicly announced. Should any material deviations in the relevant price arise following the announcement of the public tender offer or the public invitation to submit sales offers, the tender offer or the invitation to submit sales offers may be adjusted. In such instances, any adjustment would be applied to the average of the trading prices of the shares of the Company calculated in the closing auction in Xetra trading (or a comparable successor of the Xetra system) on the Frankfurt Stock Exchange for the three trading days before the date of the public announcement. The volume of the tender offer/invitation to submit sales offers may be limited. If the volume of shares tendered in a public tender offer or a public invitation to submit sales offers exceeds the target buyback volume, the shares can be acquired in proportion to the shares subscribed or offered in each case; the right of the shareholders to tender their shares in proportion to their equity interest is excluded. The preferential acceptance of tenders of small quantities of shares not exceeding 100 shares per shareholder and subjecting

these quantities to standard rounding in order to eliminate arithmetical fractions of shares may be stipulated. Any further pre-emptive tender rights of shareholders to this extent shall be excluded. Any public tender offer or public invitation to submit sales offers may be subject to further terms and conditions.

- b) The Management Board is authorised to sell treasury shares acquired on the basis of this or any prior authorisation, either on the open market or on the basis of a tender offer addressed to all shareholders, in keeping with the principle of equal treatment of shareholders, and furthermore to use the shares for the following purposes:
- (1) Transfer to third parties as consideration for the purpose of mergers or acquisitions of companies, parts of companies or equity interests in companies.
  - (2) Retirement of shares, without the retirement or the implementation of thereof requiring any further resolution by the Annual General Meeting. The retirement of shares results in a reduction of the Company's share capital. This reduction of share capital may take place for any purpose permissible by law. Alternatively, the Management Board may stipulate that retiring shares will not alter the share capital as such but instead increase the proportionate interest held therein pursuant to § 8 (3) AktG. In this case, the Management Board is authorised to amend the number of shares set out in the Articles of Association.
  - (3) Sale by any means other than the open market or a tender offer to all shareholders, provided the sale is effected against cash payment at a price that is not substantially below the quoted price of the Company's shares as at the date of sale. However, this authorisation is valid only subject to the stipulation that the shares sold under the exclusion of shareholders' pre-emptive subscription rights pursuant to § 186 (3) sentence 4 AktG do not represent more than a total of 10% of the Company's share capital either at the date on which the authorisation enters into effect or – if this amount is less – is exercised. Any shares issued from Authorised Capital under the exclusion of shareholders' pre-emptive subscription rights in accordance with § 186 (3) sentence 4 AktG during the term of this authorisation shall be counted towards this limit. Furthermore, any shares that have been or will be issued in order to service bonds with conversion or option rights or a conversion

obligation shall be counted toward this limit if the bonds were issued during the term of this authorisation under the exclusion of pre-emptive subscription rights in analogous application of § 186 (3) sentence 4 AktG.

- (4) Issue of shares to secure and satisfy conversion or option rights granted by the Company or by a subordinate Group company upon the issue of bonds, or to secure and satisfy conversion obligations arising from bonds issued by the Company or by a subordinate Group company.
- c) Shareholders' pre-emptive subscription rights shall be excluded where treasury shares are utilised pursuant to b) (1), (3) and (4) above. Shareholders' pre-emptive subscription rights shall also be excluded where treasury shares are sold on the open market pursuant to b) above. In the event that acquired treasury shares are sold by way of a tender offer addressed to all shareholders of the Company in accordance with b) above, the Management Board shall be authorised to exclude the shareholders' pre-emptive subscription rights for fractional amounts. The Management Board may only exercise all authorisations in a), b) and c) above with the consent of the Supervisory Board.
- d) The authorisation to acquire treasury shares, to sell them and to use them pursuant to a), b) and c) above may be exercised on one or on several occasions, in whole or in part, to fulfil one or several purposes and – to the extent permissible – may also be exercised by subordinate Group companies or by third parties on the account of the Company or subordinate Group companies.

The report of the Management Board on this agenda item is reproduced at the end of the agenda.

## Reports of the Management Board

### **Report of the Management Board on agenda item 7 pursuant to § 203 (2) sentence 2 in conjunction with § 186 (4) sentence 2 AktG**

The Authorised Capital of EUR 43,545,600 (Authorised Capital 2007) contained to date in § 3 (2) of the Articles of Association expires on 25 April 2012. Under item 7 of the agenda, the proposal is made to replace the Authorised Capital 2007 by creating, by way of amendment to Articles of Association, a new Authorised Capital in the amount of EUR 43,545,600 that shall expire on 15 May 2017.

The new Authorised Capital is intended to authorise the Management Board, with the consent of the Supervisory Board, to increase the Company's share capital on one or several occasions by up to a total of EUR 43,545,600 by issuing new no-par value registered shares against cash contributions (Authorised Capital 2012).

If the Management Board elects to exercise this authorisation, the shareholders shall generally have statutory pre-emptive subscription rights. However, setting the subscription ratio may result in the creation of residual amounts („fractional amounts“) with the consequence being that it is no longer possible for every shareholder to be allocated a portion of the new shares corresponding to their share in the existing share capital. Therefore, the Management Board shall be authorised, with the consent of the Supervisory Board, to exclude pre-emptive subscription rights for fractional amounts created in this manner. This facilitates the simplified settlement of a rights issue if fractional amounts arise due to the issue volume or are created as a consequence of ensuring a practicable subscription ratio. The fractional amounts excluded from pre-emptive subscription rights will be liquidated at the most favourable terms. The subscription price shall be determined at the given time in such a manner that, given the relevant conditions in the capital market, the interests of the shareholders and the Company are adequately safeguarded.

### **Report of the Management Board on agenda item 8 pursuant to § 71 (1) no. 8 sentence 5 in conjunction with § 186 (4) sentence 2 AktG**

On 6 May 2010, the Annual General Meeting of Celesio AG passed a resolution authorising the acquisition and use of treasury shares. This authorisation expired at the conclusion of 4 November 2011. Due to the fact that the authorisation dated 6 May 2010 has expired, a new authorisation expiring 15 May 2017 shall be resolved. The proposed resolution sets forth the prerequisites and options for the acquisition and subsequent utilisation of treasury shares.

**Exclusion of pre-emptive tender rights for the acquisition of treasury shares**

The authorisation to acquire treasury shares shall enable the Management Board to use the financial instrument of the share buyback in the interests of the Company and its shareholders. At the Management Board's discretion, treasury shares may be purchased on the open market or by way of a public tender offer addressed to all shareholders of the Company or by way of a public invitation to submit sales offers addressed to all shareholders of the Company.

If the treasury shares are purchased by way of a public tender offer or by way of a public invitation to submit sales offers, the volume of the tender offer or that of the invitation to submit sales offers may be limited. This limitation may result in the quantity of shares of the Company offered by the shareholders exceeding the quantity requested by the Company. In such cases, the shares must be allocated proportionately. In events such as these, shares may be allocated according to the proportion of shares subscribed or tendered (tender ratios) rather than according to ownership interests because the acquisition procedure can be better settled within an economically reasonable framework. The preferential acceptance of tenders of small quantities of shares not exceeding 100 shares per shareholder shall also be possible. This option helps to avoid fractional amounts when determining the quantities to be acquired, as well as small remainders, thus simplifying the technical settlement process of the share buyback. This also makes it possible to avoid any actual financial disadvantage to small shareholders. Ultimately, quantities may also be subject to standard rounding in order to eliminate arithmetical fractions of shares. In this respect, the acquisition ratio and the number of shares to be purchased from individual tendering shareholders can be rounded off as necessary in order to make the acquisition of whole shares possible for technical settlement purposes. The Management Board and Supervisory Board consider the exclusion of any further pre-emptive shareholder tender rights therefrom to be justifiable.

**Exclusion of pre-emptive subscription rights when utilising treasury shares**

Pursuant to the proposed resolution, the Management Board shall also be authorised to sell the shares acquired in accordance with this or any earlier authorisation on the open market or to offer the shares to the shareholders for acquisition in the context of a public offer for sale, maintaining the shareholders' pre-emptive subscription rights. If the Management Board sells treasury shares on the open market, the shareholders shall not have pre-emptive subscription rights.

However, pursuant to § 71 (1) no. 8 sentence 4 AktG, the sale – and the acquisition – of treasury shares on the open market shall satisfy the principle of equal treatment of shareholders set forth under § 53 a AktG. If treasury shares are sold in the context of a public offer to all shareholders, the Management Board shall be authorised, subject to the consent of the Supervisory Board, to exclude shareholders' pre-emptive subscription rights for fractional amounts. It is necessary to exclude pre-emptive subscription rights for fractional amounts in order to arrive at a subscription ratio that is technically feasible. The treasury shares that are excluded from shareholders' pre-emptive subscription rights as floating fractional shares will be liquidated either via their sale on the open market or otherwise at the most favourable terms possible for the Company. The potential for dilution is low due to the limitation of fractional amounts.

Moreover, it is intended that the treasury shares acquired in accordance with this or any earlier authorisation may be used for the following purposes:

Treasury shares shall be placed at the Company's disposal so that it will be able to grant these under the exclusion of pre-emptive subscription rights as consideration in the context of corporate mergers or for the acquisition of companies, parts of companies or equity interests in companies. Treasury shares are a key instrument used as form of currency in this regard. They can represent a cost-effective financing option for the Company. Sellers often insist that they be offered as consideration in such transactions. The present authorisation is being proposed in order to enable the Company to take advantage of opportunities as they present themselves to merge with or acquire companies, parts of companies or equity interests in companies, both on the German and the international markets, in a rapid and flexible manner, particularly without having to convene the Annual General Meeting, which is often not possible due to time constraints. The use of treasury shares is also favourable to existing shareholders in that the Company's acquisition of treasury shares does not result in the dilution of existing shareholders' equity interest in the Company. At present, there are no specific plans with regard to mergers or acquisitions for which this option would be utilised. The Management Board will ensure that the interests of the shareholders are adequately safeguarded when determining the pricing ratios. The Management Board will use the quoted price of the shares as a guideline in measuring their value as consideration. However, the Management Board does not intend to use the quoted price as a systematic point of reference, particularly because it wishes to avoid having fluctuations in the quoted price compromise any deals once they have been negotiated.

The Company shall be able to retire treasury shares without requiring an additional resolution by the Annual General Meeting (§ 71 (1) no. 8 sentence 6 AktG). The proposed authorisation stipulates in accordance with § 237 (3) no. 3 AktG that the Management Board may retire shares without reducing the share capital. This reduction of share capital may take place for any purpose permissible by law. Retiring shares without reducing the share capital increases the notional interest of the remaining no-par value shares in the share capital of the Company. The Management Board is authorised to amend the Articles of Association to reflect any changes in the number of no-par value shares.

Under the proposed resolution, the Company shall also be able to sell treasury shares under the exclusion of pre-emptive subscription rights against cash payments instead of on the open market or by way of an offer to all shareholders. This option is particularly aimed at making it possible for the Company to offer its shares to institutional investors, hence broadening the Company's shareholder base. The proposed authorisation serves to adequately secure the Company's equity base over the long term. The Management Board will ensure that any discount on the quoted price is as low as possible following placement, taking into account prevailing market conditions. The discount on the quoted price is not expected to be greater than 3%, and will at any rate be limited to a maximum of 5% of the quoted price. However, this authorisation is valid only subject to the stipulation that the shares sold under the exclusion of shareholders' pre-emptive subscription rights pursuant to § 186 (3) sentence 4 AktG do not represent more than a total of 10% of the Company's share capital either at the date on which the authorisation enters into effect or – if this amount is less – is exercised. Any shares issued from Authorised Capital under the exclusion of shareholders' pre-emptive subscription rights in accordance with § 186 (3) sentence 4 AktG during the term of this authorisation shall be counted towards this limit. Furthermore, any shares that have been or will be issued in order to service bonds with conversion or option rights or a conversion obligation shall be counted towards this limit if the bonds were issued during the term of this authorisation under the exclusion of pre-emptive subscription rights in analogous application of § 186 (3) sentence 4 AktG. The limitation on the number of shares to be sold and the obligation to set the sale price of the new shares close to the quoted price serve to adequately protect shareholders from a dilution of their interests. At the same time, they ensure that the consideration to be received by the Company is appropriate.



The Company shall also be able to use shares to secure (e.g., by pledge, transfer of title as security) and to satisfy the option and conversion rights and obligations of holders or creditors of bonds with warrants and/or convertible bonds issued by the Company or subordinate Group companies under the exclusion of shareholders' pre-emptive subscription rights. It may be more expedient to use treasury shares to secure and to satisfy, in whole or in part, the option and conversion rights and obligations than to use new shares from a capital increase for these purposes. In particular, by transferring treasury shares rather than utilising contingent capital, it may be possible to counteract any dilutive effect which may otherwise occur. The exclusion of pre-emptive subscription rights is therefore also in the interest of existing shareholders.

The Management Board will decide at its due discretion to exercise the proposed authorisation to acquire and use treasury shares, along with the option of excluding pre-emptive subscription rights and the rights of tender, always contingent upon the consent of the Supervisory Board.

The Management Board will report on the exercise of the existing authorisation pursuant to § 71 (3) sentence 1 AktG at the next Annual General Meeting.

## 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 the close of **Wednesday, 9 May 2012 (24:00)**.

Registration to attend the Annual General Meeting may be sent by mail, fax or e-mail to:

Celesio AG  
c/o Computershare HV-Services AG  
Prannerstrasse 8  
80333 Munich  
Fax: +49 (0)89.30903-74675  
anmeldestelle@computershare.de

or submitted online at [www.celesio.com/hauptversammlung](http://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. 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. Voting rights are determined by reference to the shareholding recorded in the share register on the day of the Annual General Meeting.

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 choo-

sing, to exercise their voting rights at the Annual General Meeting on their behalf. This is also subject to timely registration in accordance with the conditions set forth above.

If neither a bank, nor a shareholders' association or any other equivalent persons under § 135 AktG is issued a proxy, such proxy must be issued in text form. This applies mutatis mutandis for 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 e-mail to:

Celesio AG  
c/o Computershare HV-Services AG  
Prannerstrasse 8  
80333 Munich  
Fax: +49 (0)89.30903-74675  
celesio-hv2012@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](http://www.celesio.com/hauptversammlung) for this purpose. No separate verification of the proxy must 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, or 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. Enclosed with the invitation is a form for issuing proxies. This information is also accessible online at [www.celesio.com/hauptversammlung](http://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 e-mail to:

Celesio AG  
c/o Computershare HV-Services AG  
Prannerstrasse 8  
80333 Munich  
Fax: +49 (0)89.30903-74675  
celesio-hv2012@computershare.de

or issued online at [www.celesio.com/hauptversammlung](http://www.celesio.com/hauptversammlung). No separate verification of the proxy must 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, e-mail address or website by 12:00 noon on 15 May 2012. 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. Enclosed with the invitation is a form for issuing proxies. This information is also accessible online at [www.celesio.com/hauptversammlung](http://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 are completed in written or electronic form, and must be received by the Company no later than 12:00 noon on 15 May 2012. Please fill out the form enclosed with this invitation and return it to the following address by mail, fax or e-mail:

Celesio AG  
c/o Computershare HV-Services AG  
Prannerstrasse 8  
80333 Munich  
Fax: +49 (0)89.30903-74675  
celesio-hv2012@computershare.de

or use the password-protected AGM online service at [www.celesio.com/hauptversammlung](http://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. Enclosed with the invitation is a form for voting by postal ballot. This information is also accessible online at [www.celesio.com/hauptversammlung](http://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.

## Shareholders' rights

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### Motions to amend the agenda (§ 122 (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 at the close of **15 April 2012 (24:00)**. 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 (1) and § 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](http://www.celesio.com/hauptversammlung), if 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 the close of **1 May 2012 (24:00)**, at the following address:

Celesio AG  
Corporate Legal  
Neckartalstrasse 155  
70376 Stuttgart  
Fax +49(0)711.50 01-590  
[legal@celesio.com](mailto:legal@celesio.com)

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

### **Right to information (§ 131 (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](http://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 2012.

### **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 address 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 address will also be available online following the conclusion of the Annual General Meeting.

Stuttgart, April 2012

Celesio AG  
The Management Board

## Financial calendar (Excerpt)

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**Analyst and investor conference**

27 March 2012

**Interim report, 1st quarter of 2012**

14 May 2012

**Annual general meeting**

16 May 2012

**Interim report, 1st half year of 2012**

14 August 2012

**Interim report, 1st – 3rd quarter of 2012**

14 November 2012

**Annual report 2012**

26 March 2013

Subject to amendment. Other dates and updates can be found at [www.celesio.com](http://www.celesio.com) under Investor Relations/Financial Calendar.



# Directions (to the Porsche-Arena, Stuttgart)

## By public transport

### S-Bahn lines S1, S2, S3

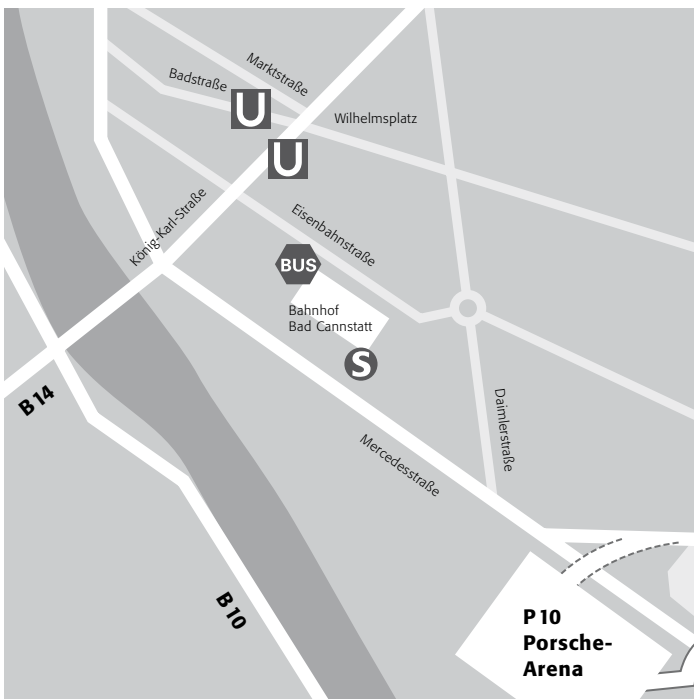
- Take S-Bahn line S1, S2 or S3 until Bad Cannstatt Bahnhof
- Transfer to Bus line 56 towards Wagenburgstrasse
- Alight at NeckarPark (Stadion)

### Stadtbahn lines U1, U2

- Take Stadtbahn line U1 or U2 to Bad Cannstatt Wilhelmsplatz
- Walk to Bad Cannstatt Bahnhof, just a few metres away from Bad Cannstatt Wilhelmsplatz
- Transfer to Bus line 56 towards Wagenburgstrasse
- Alight at NeckarPark (Stadion)

### Stadtbahn line U13

- Take Stadtbahn line U13 to Badstrasse (Wilhelmsplatz)
- Walk to Bad Cannstatt Bahnhof, just a few metres away from Badstrasse (Wilhelmsplatz)
- Transfer to Bus line 56 towards Wagenburgstrasse
- Alight at NeckarPark (Stadion)




## Directions


### By car

- There is free parking at the P10 car park on Talstrasse
- Please note that Stuttgart is located in the low emission zone, the so called *Umweltzone*


### On the A81 from Singen

- Take the A81 until the Stuttgart motorway junction (Autobahnkreuz Stuttgart)
- Follow the A81 straight on towards Stuttgart until the end of the motorway
- Take B14 towards Stuttgart-Zentrum
- Follow B14 through the whole city
- Follow the NeckarPark signs  to the car park

### On the A81 from Heilbronn

- Exit A81 at Zuffenhausen
- Take B10 towards Stuttgart-Zentrum
- Exit B10/B27 towards Stuttgart-Zentrum; keep to the right
- Follow B10 (on Heilbronner Strasse, then Pragstrasse until you reach Wilhelma)
- Follow the NeckarPark signs  to the car park


### On the A8 from Karlsruhe

- Take the A8 until the Leonberg motorway junction (Autobahndreieck Leonberg)
- Take A81 towards Heilbronn
- Exit A81 at Zuffenhausen
- Take B10 towards Stuttgart-Zuffenhausen/Kornwestheim
- Follow B10 (on Heilbronner Strasse, then Pragstrasse until you reach Wilhelma)
- Follow the NeckarPark signs  to the car park


### On the A8 from Munich

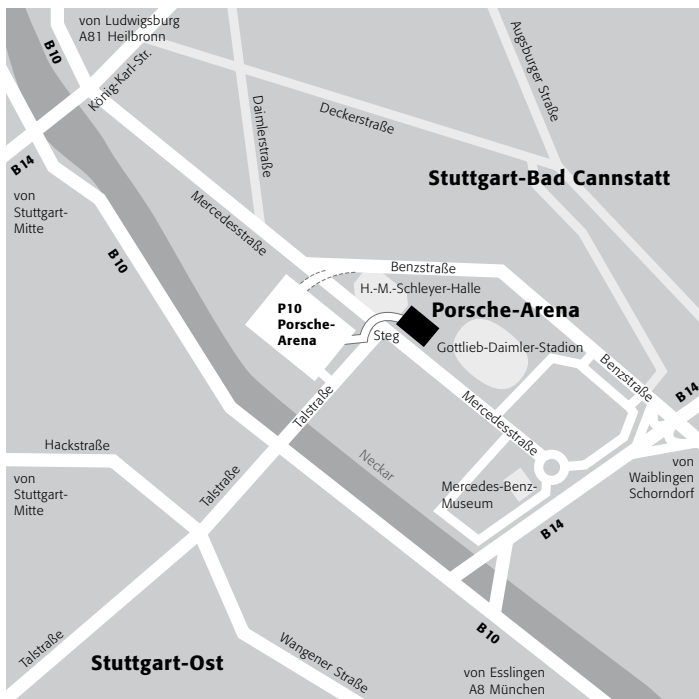
- Exit A8 at Wendlingen
- Take B313 towards Esslingen-Zentrum/Plochingen
- Follow B313 until B10 towards Stuttgart/Esslingen/Plochingen
- Follow B10 until Stuttgart-Ost/Stuttgart-Bad Cannstatt exit, and turn right on Talstrasse

**On the B27 from Tübingen kommend**

- B27 via Degerloch towards Stuttgart-Zentrum
- At Charlottenplatz turn right on B14 towards Fellbach/Waiblingen until Schwanenplatztunnel
- Follow the NeckarPark signs  to the car park

**On the B14 from Schwäbisch Hall or on the B29 from Aalen**

- B14 or B29 towards Stuttgart
- Via Kappelberg tunnel until Exit Benzstraße
- Follow the NeckarPark signs  to the car park



Celesio AG  
Corporate Investor Relations  
Neckartalstrasse 155  
70376 Stuttgart  
Germany  
Phone +49(0)711.50 01-735  
Fax +49(0)711.50 01-740  
[investor@celesio.com](mailto:investor@celesio.com)  
[www.celesio.com](http://www.celesio.com)

**celesio**