







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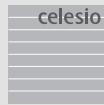
**Interim Report 1<sup>st</sup> Half-year 2006**

**celesio**  
the healthcare group



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Celesio Group

## Highlights

- Group revenue increased by 5.5 percent, profit before tax by 10.1 percent
- K.V. Tjellesen and Max Jenne in Denmark strengthen Celesio Wholesale and Celesio Solutions
- Acquisition of shares in and cooperation with pharmexx GmbH, the provider of sales and marketing solutions for pharmaceutical manufacturers, opens up new business opportunities
- Annual general meeting decides on share split and conversion to registered shares



## Letter to Shareholders

### Dear Shareholders

**Celesio maintains its growth course. In the first half of the year it improved revenue by 5.5 percent, and profit grew even more strongly, by 10.1 percent compared with the prior year. The positive figures for the half-year confirm: Celesio is optimally positioned in the consistently growing pharmaceutical market. Positive seasonal effects in the 1<sup>st</sup> quarter were, as expected, offset by adverse seasonal effects in the 2<sup>nd</sup> quarter.**

In the first half of 2006 Celesio again demonstrated the success of its business model: Group revenue showed substantial growth, profit again grew more strongly than revenue. In the first three months of 2006 seasonal effects had driven growth in line with expectations. In the 1<sup>st</sup> quarter 2006 there were more working days than in the same quarter last year. Unlike the prior year, the low-revenue Easter period – used in many places for holiday trips – fell in the 2<sup>nd</sup> quarter. An increase in the number of working days effectively increases revenue and profit disproportionately: Revenue increases in line with the number of working days, whereas expenses in absolute terms remain almost constant. In the 2<sup>nd</sup> quarter, by contrast, the effect was adverse: As there were fewer working days in the period April to June than in the prior year, this seasonal effect dampened growth in the 2<sup>nd</sup> quarter. In the half-year review the seasonal effects of the quarters balance each other out. The half-year figures for 2006 demonstrate in any event: Celesio has grown considerably.

*"In the first half of 2006 Celesio again demonstrated the success of its business model: Group revenue showed substantial growth, profit again grew more strongly than revenue."*



**Celesio** Group

### **Revenue and profit show substantial growth**

In the 1<sup>st</sup> half of 2006 Celesio increased group revenue by 5.5 percent (5.4 percent in local currency) to 10,631.0 million euros. Celesio grew in organic terms by 4.3 percent (4.2 percent in local currency) compared with the same period last year.

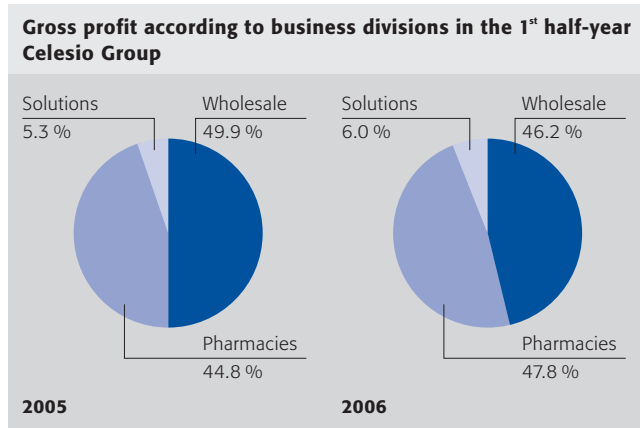
Growth in profit was even stronger in this period: EBITDA rose by 8.0 percent (7.9 percent in local currency) to 390.4 million euros. EBITDA (earnings before interest, tax and depreciation) reflects Celesio's operational success – irrespective of external factors such as rate of interest, depreciation rates and methods and taxation systems. This increase is due to the higher gross profit in the Pharmacies division and further economy measures in Wholesale. The Pharmacies division, with higher margins compared with Wholesale, made a greater contribution to total profit than in the prior year. Profit before tax increased by 10.1 percent (10.1 percent in local currency) to 291.4 million euros.

Based on EBITDA return on sales rose by 8 basis points to 3.67 percent. Based on profit before tax, return on sales rose by 12 basis points to 2.74 percent compared with the same period last year.

### Gross profit growth in double figures

In the first six months of this year gross profit rose by 10.1 percent (9.9 percent in local currency), to 1,190.1 million euros. The gross profit margin at 11.19 percent was a substantial improvement on the prior year's figure of 10.73 percent. Celesio's higher-margin pharmacy business in particular made a substantial contribution to the improvement in gross profit for the group. Solutions, the third business division also gains in importance: Celesio Solutions improved its gross profit in the 1<sup>st</sup> half-year by 24.8 percent (24.8 percent in local currency) particularly as a result of the acquisition of Healthcare Logistics in 2005.

"Celesio's higher-margin pharmacy business in particular made a substantial contribution to the improvement in gross profit for the group. Solutions, the third business division also gains in importance."





**Celesio** Group

The handling costs – as is evident from the item in the income statement, other income and expenses – showed an increase in the 1<sup>st</sup> half of 2006. Net expenses in this item have increased in particular due to the inclusion of costs of acquired companies such as Healthcare Logistics or the 110 British Cohens and Scholes pharmacies being consolidated for the first time or for the first time for a full half-year\*. The property costs of the group companies also showed an increase. The increase is driven by higher rents in the pharmacy business in particular. Other income showed a slight increase, thanks amongst others to advertising subsidies.

Personnel expenses rose ahead of revenue in the 1<sup>st</sup> half of this year, as the result of the personnel-intensive pharmacy business being expanded.

Income from investments was chiefly characterised by the dividend from the holding in Andreae-Noris Zahn AG.

Interest expense remained largely constant by comparison with the 1<sup>st</sup> half of 2005. Liabilities remained virtually unchanged despite new acquisitions, as the acquisitions in 2005 had predominantly been financed from cash flow. The sharp increase in EBIT resulted in an improvement in the interest coverage (EBIT in relation to the interest result) to 6.97.

\* The 110 British pharmacies had not yet been included in the income statement for the 1<sup>st</sup> half of 2005, Healthcare Logistics only in the 2<sup>nd</sup> quarter 2005.



Tax expenses rose less strongly than profit before tax by 0.8 million euros compared with the 1<sup>st</sup> half of 2005\* to 84.6 million euros. A higher share of profit from abroad, tax cuts in several countries and higher tax effects unrelated to the accounting period reduced the tax ratio in the 1<sup>st</sup> half of 2006, showing a corresponding fall of 31.7 percent to 29.0 percent compared with the 1<sup>st</sup> half of 2005\*.

Net profit rose to 206.8 million euros – an increase of 14.4 percent (14.4 percent in local currency) over the 1<sup>st</sup> half of 2005\*. At 2.41 euros per share, earnings per share in 2006 outperformed the figure for the prior year\* of 2.09 euros.

### Celesio Group in the 1<sup>st</sup> half-year

	2005		2006		Change in € in %	Change in local currency in %
	in € m	in % of revenue	in € m	in % of revenue		
Revenue	10,078.9	100.00	<b>10,631.0</b>	<b>100.00</b>	5.5	5.4
Gross profit	1,081.3	10.73	<b>1,190.1</b>	<b>11.19</b>	10.1	9.9
EBITDA	361.6	3.59	<b>390.4</b>	<b>3.67</b>	8.0	7.9
EBIT	314.1	3.12	<b>340.2</b>	<b>3.20</b>	8.3	8.3
Profit before tax	264.6	2.62	<b>291.4</b>	<b>2.74</b>	10.1	10.1
Net profit	180.8*	1.79*	<b>206.8</b>	<b>1.95</b>	14.4*	14.4*
Cash flow	237.9*	–	<b>278.2</b>	–	17.0*	16.9*

\* Adjusted to take account of trade tax refund: In the 1<sup>st</sup> half of 2005 there was a trade tax refund of 38.9 million euros net (52.9 million euros gross) for the period 1996 to 2001.



Celesio Group

“The equity ratio climbed to 31.9 percent. At the end of 2005 it was 30.4 percent. Together with the stable, high cash flow this solid balance sheet ratio gives Celesio the financial scope to finance further growth.”

### **Solid balance sheet ensures financing of further growth**

Celesio strengthened its balance sheet structure as at 30 June 2006. The equity ratio rose to 31.9 percent. At the end of 2005 it was 30.4 percent. Gearing improved to 0.89. Together with the stable, high cash flow this solid balance sheet ratio gives Celesio the financial scope to finance further growth.

In mid-February 2006 Celesio entered the syndicated credit market. Twenty of Celesio’s banking partners have participated in the syndicated credit line with a volume totalling 600 million euros – underlining the degree of confidence the banks have in Celesio. The new syndicated credit line replaces in part existing bilateral credit lines and is to be used as the occasion demands. With the syndicated credit Celesio is placing its financing facilities on a broader foundation.

Total assets fell by 53.2 million euros by comparison with 31 December 2005 to 7,458.5 million euros. This was due to the fall in the currency spot rate of the British pound sterling and reduced inventories.

With 3,312.4 million euros, non-current assets at the end of June 2006 were roughly at the same level as at the end of 2005. Depreciation and amortisation totalled 50.2 million euros, of which 5.2 million euros were intangible assets and 45.0 million euros property, plant and equipment. This was offset by investments including acquisitions of 178.4 million euros. Investments in existing business were financed entirely from cash flow. The holding in pharmexx contributed to the increase in financial assets.

Net current assets (current assets less liabilities excluding financial liabilities) totalled 1,358.4 million euros as at 30 June 2006, an increase over 31 December 2005 of 21.5 million euros. Inventories fell significantly by 143.4 million euros for seasonal reasons. They had been deliberately built up at the end of last year in order to ensure

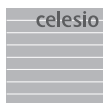
supply capability through to the New Year. Trade receivables showed a reduction compared with the end of 2005. Current operating liabilities reduced by 146.0 million euros at the end of the 1<sup>st</sup> half-year 2006. Trade payables were also reduced parallel to the reduction in inventories.

Tax liabilities also showed a slight increase at the end of June 2006. Other current provisions and the other liabilities remained at the level of the prior year.

Even though pension provisions increased slightly by 0.9 million euros, the overall position for pension provisions and other non-current provisions was roughly similar to the level at the end of last year. The share of pension provisions in total assets remained unchanged at 1.9 percent. 2.67 percent of personnel costs were attributed to pension expenditure including interest expense.

Net profit totalling 206.8 million euros strengthened equity in particular. Other revaluation reserves also showed an increase. In particular there was a positive change in the market value of derivative financial instruments – Celesio uses derivative financial instruments exclusively to hedge interest and currency risks. By contrast, dividend payments of 120.3 million euros and the effects of currency conversion of 9.0 million euros had the effect of reducing equity. There was an increase in minority interests – outside shareholders of companies in which Celesio does not have 100 percent holding. This was mainly due to the increase in net profit: The net profit attributable to minority interests also increases as a result.

Financial liabilities showed a slight rise of 8.7 million euros over the end of 2005 to 2,077.6 million euros. By comparison with 31 December 2005 the financial liabilities at the end of June 2006 remained similar in structure: The ratio of non-current to current liabilities remained roughly the same.



**Celesio** Group

### **Cash flow finances investments in operating business**

Cash flow increased by 17.0 percent (16.9 percent in local currency) to 278.2 million euros in the first half of the current fiscal year compared to the same period of the previous year\*.

Investments in operating business were financed from cash flow. Free cash flow, after financing the increase in net working capital and acquisitions, totalled -22.6 million euros, having been -1.1 million euros the previous year\*.

The proportion of investments and acquisitions which were not yet cash-effective on the balance sheet dates are included under Others.

\* Adjusted to take account of trade tax refund: In the 1<sup>st</sup> half of 2005 there was a trade tax refund of 38.9 million euros net (52.9 million euros gross) for the period 1996 to 2001.

### Cash flow in the 1<sup>st</sup> half-year

	2005 in € m	<b>2006</b> <b>in € m</b>
Cash flow	237.9*	278.2
Dividends paid	- 103.3	- 120.3
<b>Cash flow after dividends paid</b>	<b>134.6</b>	<b>157.9</b>
Income from the disposal of non-current assets	14.1	14.4
Investments in the operating business	- 61.1	- 64.1
<b>Free cash flow before acquisitions and change in net working capital</b>	<b>87.6</b>	<b>108.2</b>
Change in net working capital	95.8	- 22.5
Acquisitions and new openings	- 220.0	- 114.3
Proceeds from the disposal of subsidiaries	0.8	3.5
Others	34.7	2.5
<b>Free cash flow</b>	<b>- 1.1</b>	<b>- 22.6</b>

\* Adjusted to take account of trade tax refund: In the 1<sup>st</sup> half of 2005 there was a trade tax refund of 38.9 million euros net (52.9 million euros gross) for the period 1996 to 2001.



**Celesio** Group

### **Conversion to registered share and share split**

On 27 April 2006 the Celesio annual general meeting approved the conversion to registered shares and the share split in the ratio 1:2.

The conversion to registered shares allows communication routes between Celesio and its shareholders to be much shorter. Registered shareholders can be approached and informed more quickly and directly. The conversion is free of charge to shareholders and there is no disadvantage when trading the shares.

The price of the Celesio share has risen significantly in recent years. With the share split the absolute price of a Celesio share matches the average of the other companies in the MDAX. The Celesio share therefore becomes more attractive especially for private investors.

## **Optimism continues for the year as a whole**

Growth in the first half of this year bears out the current forecast for business development in 2006. The difficult conditions in some markets do not detract from this. The Celesio management board anticipates that in 2006 the European pharmaceutical market will grow by some 5 percent, as in the prior year. However it is as yet not possible to predict what impact current and announced government economy measures may have on the market particularly in France and Germany. In Germany the framework has been introduced for a "large-scale health reform". What plans will ultimately be implemented and the consequences this will have for the market participants and the German pharmaceutical market remains unclear.

Celesio Wholesale should grow organically in line with its market. The division will also be strengthened by the acquisitions of Max Jenne and K.V. Tjellesen in Denmark. At the end of June both acquisitions were approved by the competition authorities. They will therefore be consolidated for the first time in the 2<sup>nd</sup> half of the year.

The Celesio management board anticipates growth for Celesio Pharmacies to be slightly ahead of the comparable market. Celesio Pharmacies is well positioned, both due to the locations being close to the patient and the source of prescriptions, and also due to the strong commitment to service orientation. Acquisitions and new openings will also underpin the growth of the division.

"In France and Germany particularly the pharmaceutical market is facing far-reaching changes, the extent of which is as yet not possible to predict. Nevertheless the Celesio management board is expecting in 2006 profit before tax in local currency to grow groupwide ahead of revenue."



**Celesio** Group

The Celesio management board sees great growth opportunities for Celesio Solutions in the medium term. The young division benefits from the trend among pharmaceutical manufacturers to outsource their services. Movianto (AVS Health Distribution until March this year), the Solutions business unit, offers transportation and logistics services for the pharmaceutical industry. The strategic alliance with pharmexx GmbH bolstered by a 30-percent holding offers Celesio fresh opportunities in the Solutions division. Further business units providing services relating to medicines are to follow.

For the fiscal year 2006 the Celesio management board anticipates that the group gross profit margin will rise slightly over the prior year.

It is not possible to reliably predict the effect that government measures particularly in France and Germany and also intensified competition especially in Germany will have on profit for the whole of 2006. In the second half of the year the market environment will in any event become more difficult. The Celesio management board nevertheless expects that in 2006 profit before tax in local currency will also grow more strongly than revenue. It confirms that growth in group profit before tax in local currency will be in double figures on a multiannual average.

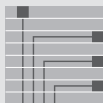


### Celesio share in the 1<sup>st</sup> half-year

	2005	<b>2006</b>	Change	Change
	in €	<b>in €</b>	in €	in local
	per share	<b>per share</b>	in %	currency
				in %
Earnings	2.09*	<b>2.41</b>	15.3*	15.3*
EBITDA	4.25	<b>4.59</b>	8.0	7.9
EBIT	3.69	<b>4.00</b>	8.3	8.3
Cash flow	2.80*	<b>3.27</b>	17.0*	16.9*
Share price (30/06/ in €)	64.99	<b>71.07</b>	9.4	–
Number of shares outstanding (30/06/ in m)	85.05	<b>85.05</b>	–	–
Market capitalisation (30/06/ in € m)	5,527.4	<b>6,044.5</b>	9.4	–

### Growth market healthcare

\* Adjusted to take account of trade tax refund: In the 1<sup>st</sup> half of 2005 there was a trade tax refund of 38.9 million euros net (52.9 million euros gross) for the period 1996 to 2001.



Celesio Wholesale

**1<sup>st</sup> half-year**

Countries	Revenue 2005	<b>Revenue 2006</b>	Revenue change in €	Revenue change in local currency	Number of branches 2006
	in € m	<b>in € m</b>	in %	in %	
France	3,594.7	<b>3,588.2</b>	- 0.2	- 0.2	53
Germany	1,775.0	<b>1,814.7</b>	2.2	2.2	19
United Kingdom	1,532.1	<b>1,730.7</b>	13.0	13.2	19
Austria	426.6	<b>457.4</b>	7.2	7.2	7
Portugal	247.8	<b>239.9</b>	- 3.2	- 3.2	12
Norway	196.7	<b>218.4</b>	11.0	8.2	4
Belgium	203.2	<b>196.0</b>	- 3.6	- 3.6	5
Slovenia*	145.5	<b>157.3</b>	8.1	7.5	9
Ireland	122.3	<b>144.7</b>	18.3	18.3	3
Czech Republic	81.6	<b>93.5</b>	14.6	8.6	3
Italy	61.6	<b>66.7</b>	8.3	8.3	1
<b>Total</b>	<b>8,387.1</b>	<b>8,707.5</b>	<b>3.8</b>	<b>3.7</b>	<b>135</b>

\* Including the subsidiaries in Croatia and Romania

**Fast, safe, reliable:**  
**Supplying pharmacies everywhere**  
**with everything pharmacies need**

## Celesio Wholesale

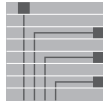
Celesio Wholesale increased revenue in the first half of 2006 by 3.8 percent. Profit before tax rose by 1.5 percent. In fact demand for medicines increased, but at the same time government economy measures slowed down profit growth in various individual markets. The most recent acquisitions, K.V. Tjellesen and Max Jenne in Denmark, will provide Celesio Wholesale with fresh stimulus for growth in the 2<sup>nd</sup> half of 2006 however.

### Revenue and gross profit improve

With the growing market, in the 1<sup>st</sup> half of 2006, Celesio Wholesale increased its revenue over the previous year by 3.8 percent (3.7 percent in local currency) to 8,707.5 million euros. Adverse seasonal effects balanced each other out in the first two quarters and had no effect on the half-year report. In France government measures slowed down market growth significantly. By contrast development in Wholesale in the United Kingdom, Norway and Austria was pleasing in the first half of the year.

### Celesio Wholesale in the 1<sup>st</sup> half-year

	2005		2006		Change in € in %	Change in local currency in %
	in € m	in % of revenue	in € m	in % of revenue		
Revenue	8,387.1	100.00	<b>8,707.5</b>	<b>100.00</b>	3.8	3.7
Gross profit	538.2	6.42	<b>550.3</b>	<b>6.32</b>	2.3	2.1
EBITDA	214.3	2.56	<b>214.8</b>	<b>2.47</b>	0.2	0.2
EBIT	189.3	2.26	<b>189.7</b>	<b>2.18</b>	0.2	0.2
Profit before tax	175.4	2.09	<b>178.1</b>	<b>2.04</b>	1.5	1.5



**Celesio** Wholesale

The revenue of Celesio's French wholesale business receded slightly. The government measures introduced at the beginning of 2006 in particular reduced revenue with prescription medicines. Growth in Celesio's German wholesale business was also only slight compared with the previous year.

In the United Kingdom by contrast Celesio Wholesale improved significantly. The reason for this growth is partly due to the underlying effect: In the prior year government reforms had significantly hampered the market. AAH also benefited from the fact that large AAH customers themselves had purchased further pharmacies. In the generics field AAH grew ahead of the comparable market.

In Norway in particular the development in business with hospitals ensured revenue growth. Celesio's Austrian wholesale business also showed significant growth in the 1<sup>st</sup> half of 2006. In the prior year government economy measures had slowed down market growth. In Ireland business with hospitals and independent pharmacies developed very well.

Gross profit for Celesio Wholesale rose by 2.3 percent (2.1 percent in local currency) to 550.3 million euros. Growth was therefore somewhat weaker than revenue, the gross profit margin consequently falling 10 basis points compared with the first six months of 2005. There are two principal causes of this decline: Competition intensified in Germany and in the United Kingdom more products were traded with lower margins by comparison with the previous year.

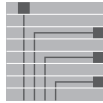
## **Celesio asserts itself well in partially difficult market environment**

EBITDA in Celesio Wholesale only rose slightly in the 1<sup>st</sup> half of 2006: By 0.2 percent (0.2 percent in local currency) to 214.8 million euros. Profit before tax increased to 178.1 million euros – a rise of 1.5 percent (1.5 percent in local currency) over the prior year. The return on sales based on profit before tax sank slightly by 5 basis points to 2.04 percent.

Various individual markets are currently affected by state intervention. Celesio's successes in the past – as also the growth of the 1<sup>st</sup> half of 2006 – are evidence however that Celesio is well armed.

In France the first government measures announced for 2006 were implemented. The prices were reduced by between 15 and 25 percent for some groups of active ingredients of reimbursable medicines. In addition, the amounts reimbursed for some medicines were reduced or abolished.

On 1 May 2006 the AVWG (Arzneimittelversorgungs-Wirtschaftlichkeitsgesetz: Act on the cost-effectiveness of the supply of medicines) came into force in Germany. The main points of the AVWG are: To abolish rebates in kind, establish lower ceilings for fixed prices for medicines, halt price increases for all medicines currently on sale and introduce a merit pricing system for doctors to regulate their prescribing behaviour more stringently. A number of manufacturers of generic products responded to the AVWG in June by cutting prices.



**Cesio** Wholesale

### **Attractive extra services for customers**

Cesio appreciates the importance of customer relations. It develops solutions and services which help its customers, the pharmacies, directly and strengthen their loyalty to Cesio. Cesio has developed a wide range of customer loyalty models to this end, for example. Around 2,700 German pharmacies are now participating in Commitment, the customer loyalty model of GEHE Pharma Handel. In June 2006 a new range of own brands was launched also. So far around 20 products have been offered exclusively to Commitment participants under the quality label 'gesund leben' (live healthily). The own brand offers top-quality, low-priced products in the fields of vitamins and minerals, healthy eating and general health. The range will comprise around 65 products by the end of the year, including teas, hygiene products and diagnostic equipment.

In France Cesio Wholesale offers pharmacies sought-after generic products at attractive conditions as part of the Evolutiv programme. Evolutiv is very well accepted. The range comprises over 80 products.

### **New warehouse improves internal processes**

As important as developing new solutions for its customers is to Celesio, it also considers improving internal processes to be equally important. For example, OCP in France has started to reduce the number of its daily deliveries from three to two. In Roissy near Paris OCP has built a new warehouse, where medicines that are less in demand are stored centrally. This ensures firstly the fast availability even of these medicines, and secondly it reduces the warehousing costs of the other OCP branches. Another example is the improvement of the call system in the German call centres.

### **Green light for new market Denmark**

Celesio Wholesale is now also represented in the Danish market. At the end of June 2006 competition authorities gave Celesio the go-ahead for the complete take-over of the Danish pharmaceutical wholesaler Max Jenne. There is nothing now either to prevent acquisition of the controlling majority of the Danish pharmaceutical wholesaler and service provider K.V. Tjellesen. Both companies will be consolidated for the first time in the 2<sup>nd</sup> half-year. With these two acquisitions Celesio becomes the second largest pharmaceutical wholesaler in Denmark. The two new members of the Celesio Group complement each other perfectly: Tjellesen predominantly supplies pharmacies in the east of the country, Max Jenne in the west. Synergies will be possible as the result of the future close cooperation from which not least the customers of Max Jenne and Tjellesen will benefit.



Celesio Pharmacies

## 1<sup>st</sup> half-year

Countries	Revenue 2005  in € m	<b>Revenue 2006  in € m</b>	Revenue change in €  in %	Revenue change in local currency in %	Number of pharmacies 2006
United Kingdom	977.1	<b>1,100.8</b>	12.7	12.9	1,536
Norway	171.8	<b>186.9</b>	8.8	6.0	124
Italy	107.2	<b>108.4</b>	1.1	1.1	162
Netherlands	56.5	<b>70.3</b>	24.4	24.4	57
Ireland	54.4	<b>57.8</b>	6.2	6.2	59
Belgium	41.3	<b>47.9</b>	15.9	15.9	87
Czech Republic	19.9	<b>18.2</b>	- 8.5	- 13.3	43
<b>Total</b>	<b>1,428.2</b>	<b>1,590.3</b>	<b>11.3</b>	<b>11.1</b>	<b>2,068</b>

**Our pharmacies:  
Optimum care in everything  
to do with health**



## Celesio Pharmacies

In the 1<sup>st</sup> half of 2006 the revenue of Celesio Pharmacies rose by 11.3 percent. The increased demand and not least the 110 British pharmacies acquired in the 4<sup>th</sup> quarter 2005 were growth drivers. With 24.6 percent Celesio Pharmacies increased profit before tax disproportionately. The half-year figures highlight the fact that Celesio Pharmacies is continuing to grow.

### 24.6 percent growth in profit before tax

Celesio Pharmacies increased its revenue by 11.3 percent (11.1 percent in local currency) in the 1<sup>st</sup> half of 2006 to 1,590.3 million euros. There are essentially two reasons for this: The number of prescriptions increased and the pharmacies acquired in the 2<sup>nd</sup> half-year of 2005 were consolidated. Seasonal effects which had supported growth in the 1<sup>st</sup> quarter were as expected omitted in the half-year report. Excluding acquisitions, new openings and disposals of pharmacies the increase in revenue would have been 3.4 percent (3.2 percent in local currency). In the first half of the year therefore Celesio Pharmacies outperformed the market.

### Celesio Pharmacies in the 1<sup>st</sup> half-year

	2005		2006		Change in € in %	Change in local currency in %
	in € m	in % of revenue	in € m	in % of revenue		
Revenue	1,428.2	100.00	<b>1,590.3</b>	<b>100.00</b>	11.3	11.1
Gross profit	482.3	33.77	<b>568.4</b>	<b>35.75</b>	17.9	17.6
EBITDA	153.8	10.77	<b>186.5</b>	<b>11.73</b>	21.2	21.2
EBIT	135.0	9.45	<b>165.3</b>	<b>10.40</b>	22.4	22.4
Profit before tax	103.2	7.23	<b>128.6</b>	<b>8.09</b>	24.6	24.5



**Celesio** Pharmacies

The British Celesio Pharmacies grew significantly in the 1<sup>st</sup> half-year: In the first six months they processed over 60 million prescriptions. Growth was driven partly by the 110 pharmacies consolidated in December 2005, and Lloydspharmacy also improved its range of services and achieved above market revenue growth. Lloydspharmacy has demonstrated clear leadership in its implementation of the new contractual framework between the NHS and the English and Welsh pharmacies, and is the first pharmacy chain accredited for the Electronic Prescription Service (EPS). The agreement which came into force in England and Wales in April 2005 opens up completely new opportunities particularly in the area of services – for example consultation between pharmacist and patient about medication, referred to as Medicine Use Reviews (MUR). Lloydspharmacy has already carried out over 72,000 MURs in the 1<sup>st</sup> half of 2006 and over 88,000 cumulatively from the beginning of their implementation to the end of June 2006 – more than any other British pharmacy chain.

Vitusapotek in Norway also grew more strongly than the market. The graduated pricing model introduced by the government at the beginning of 2005 is to continue this year. As a result generic products are more in demand – a trend from which Vitusapotek benefits thanks to the high level of consulting competence of their employees. In Ireland market growth is very strong. Thanks to its customer-oriented organisation Unicarepharmacy showed significant growth despite a number of new competing pharmacies being opened in Ireland. In Italy, the Netherlands and the Czech Republic the growth of Celesio Pharmacies is ahead of the market in a weak environment.

In the 1<sup>st</sup> half of 2006 Celesio Pharmacies increased its gross profit by 17.9 percent (17.6 percent in local currency) to 568.4 million euros. The higher proportion of generic products in the product mix in particular and the expansion of services, for instance in the United Kingdom, increased gross profit. The gross profit margin rose by 198 basis points compared with the prior year to 35.75 percent.

EBITDA rose in the first six months of this year by 21.2 percent (21.2 percent in local currency) to 186.5 million euros. Profit before tax showed even stronger growth. With 128.6 million euros in the 1<sup>st</sup> half-year it outperformed the prior year's figure by 24.6 percent (24.5 percent in local currency). The return on sales based on profit before tax rose by 86 basis points to 8.09 percent.

### **On course for growth despite government measures**

An agreement between pharmacies and the National Health Service (NHS) has also been in force in Scotland since April 2006, similar to the one in force in England and Wales since 1 April 2005. The contracts underpin the consulting expertise of the pharmacist. The Scottish contract provides amongst others for the introduction of the Minor Ailment Service (MAS) on 1 July 2006: Patients, who are exempt of prescription charges, can register in a pharmacy and take advice from the pharmacist in the event of minor complaints. The pharmacist advises, treats and refers the patient if necessary. Lloydspharmacy welcomes the overall framework of the Scottish pharmacy contract and the development of the government supporting services in the pharmacy. Since registration began on 1 June, around 45,000 patients have registered themselves with the 163 Scottish Lloydspharmacy branches.

In the Netherlands the government, pharmaceutical manufacturers, health insurers and pharmacy association are committed to reducing the increase in the cost of medicines. The measures include inter alia reducing the price of generic products. Market growth has, of course, slowed down as a result. Also, at the beginning of the year the Dutch health insurance system underwent fundamental changes; the division between private and statutory health insurance was replaced by a standardised health insurance market with profit-oriented insurance companies.

In Italy price cuts and the low incidence of influenza dampened the market. Potential reforms caused great uncertainty in the Czech market. The volume of the Belgian pharmacies market experienced growth in fact, but price cuts hampered market growth here also.



**Celesio** Pharmacies

### **Patient-centred healthcare**

Celesio Pharmacies offer their customers patient-oriented locations, products and services and contribute toward disease prevention. Conveniently at the beginning of the holiday period, Lloydspharmacy started a campaign in the United Kingdom together with cancer research and patients' organisations: Only suntan lotion with a sun protection factor of 15 or higher provides protection against skin cancer. Lloydspharmacy is donating one pound sterling for every bottle of sun tan lotion with a lower protection factor handed in by customers at Lloydspharmacy branches to prevent people in Britain as far as possible from using a lower sun protection factor. Lloydspharmacy would like to donate a total 100,000 pounds in this way to the Teenage Cancer Trust. Needless to say, Lloydspharmacy has had no sun tan lotion with a sun protection factor below 15 in its range for many years.

Celesio locates its pharmacies in close proximity to the patient. For this reason Celesio is working together with doctors and health authorities in the development of health centres, for instance in the United Kingdom, Norway and the Netherlands. The health centres accommodate doctors' practices, pharmacies and other healthcare providers under one roof. In the first half of 2006 a total of twelve health centres were under construction, aided by Celesio.

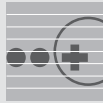
### **Integration of British pharmacies makes good progress**

Celesio was operating 2,068 pharmacies in seven European countries in the first half of 2006. Celesio is constantly optimising its pharmacy portfolio: It acquired 33 pharmacies in the 1<sup>st</sup> half-year and opened six new pharmacies. 16 pharmacies were sold or closed. A number of pharmacies were modernised. Some have relocated so as to be even closer to the patient.

Pharmacy acquisitions are part of Celesio's growth strategy. The integration of the 110 pharmacies acquired in the 4<sup>th</sup> quarter 2005 in the United Kingdom is making very good progress. In the meantime virtually all the pharmacies have been integrated into the Lloydspharmacy network, also in visual terms.

The optimum size for a pharmacy chain has not yet been reached in Ireland, the Netherlands and Belgium. Celesio will therefore be concentrating on expanding the pharmacies presence in these countries.

Even after the change of government in Italy in mid-April there has still been no final decision as to whether and to what extent the ban on third party and multiple ownership of pharmacies is to be lifted. The preceding government had thus far rejected liberalisation of the pharmacy market. The European Commission has been demanding liberalisation since 2005 and decided at the end of June 2006 to file a suit against Italy before the European Court of Justice. On 4 July the new Italian government responded with a decree. The decree provides for a deregulation of the Italian service sector and hence also the pharmacy industry. It is already evident that the decree does not meet the requirements of the European Commission.



Celesio Solutions

## 1<sup>st</sup> half-year

Business unit	Gross profit 2005	<b>Gross profit 2006</b>	Gross profit change in €	Gross profit change in local currency
	in € m	<b>in € m</b>	in %	in %
<b>Movianto*</b> (healthcare logistics and distribution)	57.2	<b>71.3</b>	24.8	24.8

\* Until March 2006 AVS Health Distribution

**Growth driver:  
Innovative services for  
the healthcare market**

## Celesio Solutions

**Celesio Solutions took a big step forward in the 1<sup>st</sup> half of 2006: The cooperation, bolstered by a 30-percent holding, with pharmexx, one of the world's leading providers of sales and marketing solutions for pharmaceutical manufacturers, opens up new business opportunities. In addition to Movianto, Celesio is now building a second pillar to meet the growing demand for services relating to medicines.**

### Significant increase in gross profit

The gross profit\* of the business unit Movianto increased in the 1<sup>st</sup> half of 2006 by 24.8 percent (24.8 percent in local currency) compared with the prior year to 71.3 million euros. On a comparable basis gross profit would have risen by 1.2 percent (1.0 percent in local currency). Celesio Solutions contributed 6.0 percent to group gross profit in the first six months of the year. In the prior year it was only 5.3 percent.

In the first half of 2006 EBITDA sank by 13.3 percent (13.3 percent in local currency) as expected compared with the prior year. Profit before tax in this period fell by 28.2 percent (28.2 percent in local currency) to 7.6 million euros. Above all the costs involved in building up and expanding the young division, increased depreciation and amortisation and also the cost of financing the acquisitions of the business unit Movianto are responsible for the fall in profit.

\*For Movianto it is absolute gross profit that is the measure of success rather than revenue, as customers generally pay on the basis of services rendered. Only in isolated cases is trading revenue involved. Gross profit is derived from total remuneration for services rendered and margins from trading revenue. Due to the particular structure of revenue, the gross profit ratio is not significant for the business unit Movianto.



Celesio Solutions

### Celesio Solutions in the 1<sup>st</sup> half-year

	2005		2006		Change in € in %	Change in local currency in %
	in € m	in % of gross profit	in € m	in % of gross profit		
Gross profit	57.2	100.00	<b>71.3</b>	<b>100.00</b>	24.8	24.8
EBITDA	13.5	23.54	<b>11.7</b>	<b>16.34</b>	- 13.3	- 13.3
EBIT	10.9	19.08	<b>9.0</b>	<b>12.62</b>	- 17.5	- 17.4
Profit before tax	10.6	18.53	<b>7.6</b>	<b>10.65</b>	- 28.2	- 28.2

### Movianto: A European business model

The investment in the expansion of Celesio Solutions is paying off: With this division Celesio is reaping benefits from the increasing tendency of pharmaceutical manufacturers to concentrate on their core business. Anything which is not part of core business is increasingly outsourced to external service providers. Solutions is able to offer the pharmaceutical industry attractive solutions with its business units.

Movianto is specialised in transportation and logistics services for the pharmaceutical industry. Movianto's services range from warehousing to product-specific distribution. The European network allows solutions at local, national or international level. A European business model is borne with Movianto: Services are offered with the same high quality in all countries. For this Movianto is building up a quality management system to be applied throughout Europe. By building up central functions the foundation is laid for enhancing synergies between the European Movianto companies.

The umbrella brand Movianto introduced in March 2006 gives the individual companies a uniform image. Local expertise is linked with the strength of an international brand name.



The incorporation of new companies is making strong headway: The British acquisition Healthcare Logistics has been integrated into Movianto. In the 1<sup>st</sup> quarter 2006 the operating business of Celesio's existing subsidiary Farrillon was integrated into Healthcare Logistics, enabling the market position of Healthcare Logistics in the field of cold chain logistics to be further strengthened and expanded.

Movianto is also expanding with the acquisition of the holding in the Danish K.V. Tjellesen: Tjellesen's manufacturers' logistics division complements Movianto's European range of services, in particular for the demands of manufacturers seeking central solutions for Northern Europe. Tjellesen will be consolidated from the 2<sup>nd</sup> half of 2006.

The expansion efforts are bearing fruit: The world's ten largest pharmaceutical manufacturers are already among Movianto's customer base. In the last six months it succeeded in attracting further renowned customers. Customers are increasingly signing multinational contracts with Movianto.

In the first half of 2006 Movianto had warehouse capacity of more than 150,000 square meters and a workforce of 1,399 employees in Europe.

### **New Solutions pillar: pharmexx**

In the 1<sup>st</sup> half of 2006 Celesio together with pharmexx GmbH was also involved in the field of sales and marketing support for pharmaceutical manufacturers. pharmexx is one of the world's leading companies which provides pharmaceutical manufacturers with qualified sales staff for a specified period. pharmexx has earned itself an excellent reputation with its successful sales staff. pharmexx is geared for growth: Already operating in ten European countries, this year pharmexx plans to expand into other markets inside and outside Europe. Annual revenue is expected to grow to over 170 million euros at the end of 2006,



**Celesio** Solutions

the number of sales staff to exceed 3,000. Celesio has agreed a strategic and operational alliance with pharmexx GmbH. Celesio has underpinned the alliance by means of a 30-percent share. This alone is evidence that Celesio is convinced about the growth opportunities of pharmexx. The cooperation with pharmexx is the foundation for Solutions' second business unit after Movianto.

Both business units, Movianto and pharmexx, have a great deal in common and complement each other ideally in strategic terms: Both operate in growth markets with their innovative services for the pharmaceutical industry. Both have an international business model. And both are growing organically and through acquisitions.

Celesio will consolidate the pharmexx share of the profit for the first time in the 2<sup>nd</sup> half of the year.

Yours sincerely  
Celesio AG

The management board

Vorstand:  
Dr. Fritz Oesterle, Vorsitzender  
Jacques Ambonville, Stefan Meister, Dr. Felix A. Zimmermann

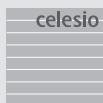
Vorsitzender des Aufsichtsrates:  
Dr. Eckhard Cordes

Sitz:  
Stuttgart, AG Stuttgart, HRB 9517

## Interim statements

### Income statement 1<sup>st</sup> half-year

	2 <sup>nd</sup> quarter		1 <sup>st</sup> half-year	
	2005 € m	2006 € m	2005 € m	2006 € m
<b>Revenue</b>	<b>5,172.7</b>	<b>5,324.4</b>	<b>10,078.9</b>	<b>10,631.0</b>
Own work capitalised	3.4	0.8	3.9	1.4
<b>Total operating performance</b>	<b>5,176.1</b>	<b>5,325.2</b>	<b>10,082.8</b>	<b>10,632.4</b>
Cost of raw materials, consumables and supplies, and of purchased goods	4,610.6	4,718.3	9,001.5	9,442.3
<b>Gross profit</b>	<b>565.5</b>	<b>606.9</b>	<b>1,081.3</b>	<b>1,190.1</b>
Other income and expenses	- 106.2	- 122.9	- 209.7	- 243.1
Personnel expenses	261.4	283.0	514.0	561.9
Net income from investments	1.0	1.5	4.0	5.3
<b>EBITDA</b>	<b>198.9</b>	<b>202.5</b>	<b>361.6</b>	<b>390.4</b>
Amortisation of intangible assets and depreciation of property, plant and equipment	24.2	25.9	47.5	50.2
<b>EBIT</b>	<b>174.7</b>	<b>176.6</b>	<b>314.1</b>	<b>340.2</b>
Interest result	- 24.8	- 24.4	- 49.5	- 48.8
<b>Profit before tax</b>	<b>149.9</b>	<b>152.2</b>	<b>264.6</b>	<b>291.4</b>
Income taxes	9.4	44.3	44.9	84.6
<b>Net profit</b>	<b>140.5</b>	<b>107.9</b>	<b>219.7</b>	<b>206.8</b>
Profit attributable to minority interests	1.5	0.8	2.9	1.7
<b>Profit attributable to the shareholders of Celesio AG</b>	<b>139.0</b>	<b>107.1</b>	<b>216.8</b>	<b>205.1</b>
<b>Earnings per share – basic (€)</b>	<b>1.63</b>	<b>1.26</b>	<b>2.55</b>	<b>2.41</b>
<b>Earnings per share – diluted (€)</b>	<b>1.63</b>	<b>1.26</b>	<b>2.55</b>	<b>2.41</b>



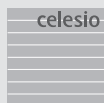
Celesio Group

**Balance sheet**

	31/12/2005 € m	30/06/2006 € m	
<b>Assets</b>	<b>Non-current assets</b>		
	Intangible assets	2,407.7	<b>2,458.7</b>
	Property, plant and equipment	598.2	<b>598.1</b>
	Financial assets	133.9	<b>190.4</b>
	Deferred tax assets	85.3	<b>65.2</b>
		<b>3,225.1</b>	<b>3,312.4</b>
	<b>Current assets</b>		
	Inventories	1,639.4	<b>1,496.0</b>
	Trade receivables	2,382.1	<b>2,339.4</b>
	Income tax receivables	45.1	<b>65.4</b>
	Other receivables and other assets	211.9	<b>239.7</b>
	Cash and cash equivalents	8.1	<b>5.6</b>
	<b>4,286.6</b>	<b>4,146.1</b>	
<b>Total assets</b>	<b>7,511.7</b>	<b>7,458.5</b>	
<b>Equity and liabilities</b>	<b>Shareholders' equity</b>		
	Issued capital and reserves	2,276.1	<b>2,368.8</b>
	Minority interests	8.1	<b>8.5</b>
		<b>2,284.2</b>	<b>2,377.3</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities	1,901.1	<b>1,919.9</b>
	Pension provisions	140.2	<b>141.1</b>
	Other non-current provisions	34.2	<b>34.6</b>
	Deferred tax liabilities	34.5	<b>40.2</b>
		<b>2,110.0</b>	<b>2,135.8</b>
	<b>Current liabilities</b>		
	Financial liabilities	167.8	<b>157.7</b>
	Trade payables	2,189.4	<b>1,948.3</b>
	Other current provisions	151.1	<b>126.2</b>
Income tax liabilities	142.2	<b>157.6</b>	
Other liabilities	467.0	<b>555.6</b>	
	<b>3,117.5</b>	<b>2,945.4</b>	
<b>Total equity and liabilities</b>	<b>7,511.7</b>	<b>7,458.5</b>	

## Cash flow statement 1<sup>st</sup> half-year

	2005 € m	2006 € m
<b>Net profit</b>	<b>219,7</b>	<b>206,8</b>
Depreciation and amortisation/write-up of property, plant and equipment and intangible assets	47.5	50.2
Net result from disposals of non-current assets	- 1.4	- 3.6
Non-cash changes in net working capital	8.7	26.2
Other non-cash income and expenses	2.3	- 1.4
<b>Cash flow</b>	<b>276.8</b>	<b>278.2</b>
Change in operating assets	- 16.3	122.0
Change in operating liabilities	112.1	- 144.5
<b>Net cash flow from operating activities</b>	<b>372.6</b>	<b>255.7</b>
Proceeds from the disposal of non-current assets	14.1	14.4
Investment in non-current assets	- 68.8	- 115.2
Proceeds from the disposals of subsidiaries	0.8	3.5
Cash paid for acquisitions of subsidiaries	- 177.6	- 60.7
<b>Net cash flow from investing activities</b>	<b>- 231.5</b>	<b>- 158.0</b>
Payment to shareholders	- 103.3	- 120.3
Proceeds from borrowings	644.2	208.6
Repayment of borrowings	- 682.9	- 188.5
<b>Net cash flow from financing activities</b>	<b>- 142.0</b>	<b>- 100.2</b>
<b>Net change in cash and cash equivalents</b>	<b>- 0.9</b>	<b>- 2.5</b>
Net foreign exchange difference	0.2	0.0
Cash and cash equivalents at the beginning of the period	15.2	8.1
<b>Cash and cash equivalents at the end of the period</b>	<b>14.5</b>	<b>5.6</b>



Celesio Group

## Statement of shareholders' equity

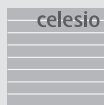
	Issued capital	Capital reserves	Revenue reserves
	€ m	€ m	€ m
<b>01/01/2006</b>	<b>217.7</b>	<b>1,113.0</b>	<b>845.5</b>
Dividends	0.0	0.0	- 119.1
Currency adjustments	0.0	0.0	0.0
Net profit	0.0	0.0	205.1
Revaluation of financial instruments	0.0	0.0	0.0
Changes to consolidated group/others	0.0	0.0	0.2
<b>30/06/2006</b>	<b>217.7</b>	<b>1,113.0</b>	<b>931.7</b>
<b>01/01/2005</b>	<b>217.7</b>	<b>1,113.0</b>	<b>525.8</b>
Dividends	0.0	0.0	- 102.1
Currency adjustments	0.0	0.0	0.0
Net profit	0.0	0.0	216.8
Revaluation of financial instruments	0.0	0.0	0.0
Changes to consolidated group/others	0.0	0.0	- 0.3
<b>30/06/2005</b>	<b>217.7</b>	<b>1,113.0</b>	<b>640.2</b>

## Segment reporting 1<sup>st</sup> half-year

	Wholesale		Pharmacies	
	2005 € m	2006 € m	2005 € m	2006 € m
<b>Revenue</b>	<b>8,387.5</b>	<b>8,707.5</b>	<b>1,428.2</b>	<b>1,590.3</b>
External revenue	8,387.1	8,707.5	1,428.2	1,590.3
Inter-segment revenue	0.4	0.0	0.0	0.0
<b>EBITDA</b>	<b>214.3</b>	<b>214.8</b>	<b>153.8</b>	<b>186.5</b>
<b>Segment profit from operations</b>	<b>189.0</b>	<b>188.9</b>	<b>135.0</b>	<b>165.2</b>
Income from associates accounted for using the equity method	0.3	0.8	0.0	0.1
<b>EBIT</b>	<b>189.3</b>	<b>189.7</b>	<b>135.0</b>	<b>165.3</b>

	Revaluation reserves		Shareholders of Celesio AG	Minority interests	Shareholders' equity
	Translation reserves	Other comprehensive income			
	€ m	€ m	€ m	€ m	€ m
	<b>88.5</b>	<b>11.4</b>	<b>2,276.1</b>	<b>8.1</b>	<b>2,284.2</b>
	0.0	0.0	- 119.1	- 1.2	- 120.3
	- 8.9	- 0.1	- 9.0	0.0	- 9.0
	0.0	0.0	205.1	1.7	206.8
	0.0	15.5	15.5	- 0.1	15.4
	0.0	0.0	0.2	0.0	0.2
	<b>79.6</b>	<b>26.8</b>	<b>2,368.8</b>	<b>8.5</b>	<b>2,377.3</b>
	<b>73.2</b>	<b>16.5</b>	<b>1,946.2</b>	<b>5.7</b>	<b>1,951.9</b>
	0.0	0.0	- 102.1	- 1.2	- 103.3
	30.9	0.8	31.7	0.0	31.7
	0.0	0.0	216.8	2.9	219.7
	0.0	- 8.3	- 8.3	0.0	- 8.3
	0.0	0.0	- 0.3	12.5	12.2
	<b>104.1</b>	<b>9.0</b>	<b>2,084.0</b>	<b>19.9</b>	<b>2,103.9</b>

	Solutions		Others		Consolidation		Group	
	2005 € m	<b>2006 € m</b>	2005 € m	<b>2006 € m</b>	2005 € m	<b>2006 € m</b>	2005 € m	<b>2006 € m</b>
	<b>352.3</b>	<b>456.7</b>	<b>0.0</b>	<b>0.0</b>	<b>- 89.1</b>	<b>- 123.5</b>	<b>10,078.9</b>	<b>10,631.0</b>
	263.6	333.2	0.0	0.0	0.0	0.0	10,078.9	10,631.0
	88.7	123.5	0.0	0.0	- 89.1	- 123.5	0.0	0.0
	<b>13.5</b>	<b>11.7</b>	<b>- 20.0</b>	<b>- 22.6</b>	<b>0.0</b>	<b>0.0</b>	<b>361.6</b>	<b>390.4</b>
	<b>10.9</b>	<b>9.0</b>	<b>- 21.1</b>	<b>- 23.8</b>	<b>0.0</b>	<b>0.0</b>	<b>313.8</b>	<b>339.3</b>
	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.9
	<b>10.9</b>	<b>9.0</b>	<b>- 21.1</b>	<b>- 23.8</b>	<b>0.0</b>	<b>0.0</b>	<b>314.1</b>	<b>340.2</b>



Celesio Group

## Notes

### Accounting principles and valuation policies

The consolidated interim statements for Celesio AG for the 1<sup>st</sup> half-year of 2006 have been drawn up on the basis of the International Accounting Standard (IAS) 34. In doing so, all relevant International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, and all interpretations of the International Financial Reporting Interpretation Committee (IFRIC) as of 30 June 2006 were taken into account. The accounting standards applied to prepare the interim statements largely correspond to those that were applied for the consolidated financial statements for the year ended 31 December 2005. The interim statements are therefore to be read in conjunction with the consolidated financial statements of Celesio AG for the 2005 fiscal year. The standards and interpretations that were legally required to be applied as of 1 January 2006 did not have any significant effect on the interim statements.

### Consolidated group

In the 1<sup>st</sup> half-year of 2006 numerous pharmacies – mainly in the United Kingdom – were consolidated for the first time in the Celesio Pharmacies division.

The inclusion of these companies for the first time does not affect comparability with the prior year.

### Employees

At the end of the 1<sup>st</sup> half-year of 2006 Celesio employed 35,130 members of staff (head count) compared with 34,320 in the prior year.



## **Notes to the segment reporting**

Segmentation at Celesio has been made in line with IAS 14. It is based on the internal organisational and reporting structures of the company. The same accounting standards are used as those employed for the group.

The internal organisation and reporting structure of Celesio is based on the business divisions Wholesale, Pharmacies, Solutions and Others. The Wholesale division includes the wholesale activities of Celesio with third-party customers. The Pharmacies division represents all activities related to the provision of services in Celesio's pharmacies. This covers the entire logistics chain from purchasing goods from the manufacturer to their delivery to the end consumer. The Solutions division comprises the provision of logistics services for pharmaceutical manufacturers. The activities of the group's parent company Celesio AG and other non-operational companies are posted to Others. The consolidation measures between the business divisions are shown separately. The operational segment profit in accordance with IAS 14 corresponds to the EBIT without taking into account the income from associates accounted for using the equity method.

As of 1 January 2006, the activities of the holding of the business unit Movianto are shown in the Solutions division. Previously the relevant segment profit, assets and liabilities were included under Others. The previous year's figures have been adjusted accordingly.



**Celesio** Group

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## Websites

### Celesio AG and companies in the Celesio Group:

[www.celesio.com](http://www.celesio.com)

### Celesio Wholesale:

France	<a href="http://www.ocp.fr">www.ocp.fr</a>
Germany	<a href="http://www.gehe.de">www.gehe.de</a>
United Kingdom	<a href="http://www.aah.com">www.aah.com</a>
Austria	<a href="http://www.herba-chemosan.at">www.herba-chemosan.at</a>
Denmark	<a href="http://www.maxjenne.dk">www.maxjenne.dk</a> <a href="http://www.tjellesen.dk">www.tjellesen.dk</a>
Belgium	<a href="http://www.pharmabelgium.be">www.pharmabelgium.be</a>
Norway	<a href="http://www.nmd.no">www.nmd.no</a>
Slovenia	<a href="http://www.kemfarm.si">www.kemfarm.si</a>
Czech Republic	<a href="http://www.gehe.cz">www.gehe.cz</a>

### Celesio Pharmacies:

United Kingdom	<a href="http://www.lloydspharmacy.co.uk">www.lloydspharmacy.co.uk</a> <a href="http://www.johnbellcroyden.co.uk">www.johnbellcroyden.co.uk</a>
Norway	<a href="http://www.vitusapotek.no">www.vitusapotek.no</a>
Italy	<a href="http://www.admentaitalia.it">www.admentaitalia.it</a>
Ireland	<a href="http://www.unicarepharmacy.ie">www.unicarepharmacy.ie</a>
Netherlands	<a href="http://www.lloydsapotheek.nl">www.lloydsapotheek.nl</a>
Belgium	<a href="http://www.lloydspharma.be">www.lloydspharma.be</a>
Czech Republic	<a href="http://www.lekarnylloyds.cz">www.lekarnylloyds.cz</a>

### Celesio Solutions:

Movianto	<a href="http://www.movianto.com">www.movianto.com</a>
pharmexx	<a href="http://www.pharmexx.com">www.pharmexx.com</a>

### Celesio Wholesale offers access-protected business-to-business solutions for pharmacies:

France	<a href="http://www.ocp.fr">www.ocp.fr</a>
Germany	<a href="http://www.gehe-point.de">www.gehe-point.de</a>
United Kingdom	<a href="http://www.aah-point.com">www.aah-point.com</a>
Austria	<a href="http://www.herba-point.at">www.herba-point.at</a>
Norway	FarmaLink (cannot be accessed by the public)
Italy	<a href="http://www.afmpoint.it">www.afmpoint.it</a>

## Information on Celesio shares\*

ISIN Code \_\_\_\_\_ DE000CLS1001  
 Securities ID No. \_\_\_\_\_ CLS 100  
 German Stock Exchange Code \_\_\_\_\_ CLS1  
 Reuters Code \_\_\_\_\_ CLSGn  
 Bloomberg Code \_\_\_\_\_ CLS1 GR

\* Effective from 24 July 2006 after conversion to registered shares and share split.  
 Number of shares outstanding: 170.1 million.

## Investors calendar\*

Investment conference (DrKW), New York \_\_\_\_\_ 9 – 11 January 2006  
 Investment conference (Cheuvreux), Frankfurt \_\_\_\_\_ 16 – 18 January 2006  
 Investment conference (Merrill Lynch), New York \_\_\_\_\_ 7 – 9 February 2006  
 Investment conference (UBS), New York \_\_\_\_\_ 13 – 15 February 2006  
 Information event for private shareholders,  
 Baden-Baden \_\_\_\_\_ 15 March 2006  
 Balance sheet press conference, Stuttgart \_\_\_\_\_ 16 March 2006  
 Celesio analysts and investors conference, Amsterdam \_\_\_\_\_ 20 March 2006  
 International bankers day, Amsterdam \_\_\_\_\_ 21 March 2006  
 Roadshow Europe \_\_\_\_\_ March/April 2006  
 Annual general meeting 2006, Stuttgart \_\_\_\_\_ 27 April 2006  
 Dividend payment \_\_\_\_\_ 28 April 2006  
 Interim report, 1<sup>st</sup> quarter 2006 \_\_\_\_\_ 10 May 2006  
 Stuttgarter Aktienforum, Stuttgart \_\_\_\_\_ 18 May 2006  
 Investment conference (Deutsche Bank), Frankfurt \_\_\_\_\_ 31 May 2006  
 Roadshow Scandinavia \_\_\_\_\_ May 2006  
 Roadshow Dublin \_\_\_\_\_ June 2006  
 Switch to registered shares and share split \_\_\_\_\_ 24 July 2006  
 Roadshow London \_\_\_\_\_ July 2006  
 Roadshow Luxembourg \_\_\_\_\_ July 2006  
 Interim report, 1<sup>st</sup> half-year 2006 \_\_\_\_\_ 9 August 2006  
 Investment conference (Merrill Lynch), London \_\_\_\_\_ September 2006  
 Investment conference (Hypovereinsbank), Munich \_\_\_\_\_ September 2006  
 Roadshow Europe \_\_\_\_\_ September 2006  
 Roadshow USA \_\_\_\_\_ October 2006  
 Interim report, 1<sup>st</sup> – 3<sup>rd</sup> quarter 2006 \_\_\_\_\_ 13 November 2006  
 Annual general meeting 2007, Stuttgart \_\_\_\_\_ 26 April 2007

\* Subject to change

The latest information on the investors calendar  
 can be found on [www.celesio.com](http://www.celesio.com).

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**celesio**  
the healthcare group