



We deliver health.

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At a Glance Release 2013





> **The PHOENIX group is a leading pharmaceutical trader in Europe**, reliably supplying people with drugs and medical products every day. The PHOENIX group originated from the merger of five regionally active pharmaceutical wholesale businesses in Germany in 1994. Today, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with around 28,700 employees.

> **In pharmaceutical wholesale**, the PHOENIX group operates 155 distribution centres in 23 countries and supplies pharmacies and medical institutions with drugs and other health products. The company also provides numerous other products and services, from support with patient advice to modern goods management for pharmacies.

> **In pharmacy retail**, the PHOENIX group is active in twelve countries with around 1,550 of its own pharmacies – 700 of which already operate under the new corporate brand BENU. In addition to Norway, the United Kingdom, the Netherlands, and Switzerland, the company is also represented in the Eastern European and Baltic markets. The more than 12,000 pharmacy employees have 110 million customer contacts each year. They dispense around 240 million drug packages to patients and advise them on issues concerning pharmaceuticals and general health.

> **The Pharma Services division** provides services across the whole supply chain for manufacturers, pharmacies, and patients. We take on the entire distribution process for the pharmaceutical industry as desired, which includes storage, transportation, and goods management.

> **We deliver health.** This is our motivation and the claim we have committed ourselves to across Europe. As a link between the pharmaceutical industry and patients, we provide a service that encompasses the fast and reliable supply of pharmaceuticals. With our range of services, we aim to support our customers and the healthcare system. Everything we do is always centred around group-wide values. Governed by the theme of progress – for a strong PHOENIX group.

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PHOENIX group in figures

Key figures of the PHOENIX group		2008/09	2009/10	2010/11	2011/12	2012/13
Revenue	in EUR k	21,310,679	21,317,594	21,737,772	21,660,649	21,218,687
Total operating performance ¹⁾	in EUR k	23,987,505	24,433,939	25,062,613	25,479,749	25,251,336
Total income ²⁾	in EUR k	2,118,305	2,143,272	2,204,501	2,266,740	2,335,526
Earnings before taxes	in EUR k	209,063 ⁴⁾	247,239 ⁴⁾	274,911	300,918	237,025
Adjusted earnings before taxes ³⁾	in EUR k	326,353	311,225	328,889	300,918	335,458
Equity	in EUR k	864,681 ⁵⁾	1,092,612	1,772,409	1,935,623	2,103,800
Equity ratio	in %	10.3 ⁵⁾	13.5	23.4	26.1	28.7
Net debt	in EUR k	4,173,527	3,678,418	2,176,588	1,855,743	1,611,518
Company rating (Standard & Poor's)				B+	BB-	BB
Employees (total)		28,291	28,156	27,873 ⁶⁾	29,038 ⁶⁾	28,698
Employees (full-time)		23,365	23,261	23,206	23,850	23,932

¹⁾ Total operating performance = revenue + handled volume (handling for service charge).

²⁾ Total income = gross profit and other operating income.

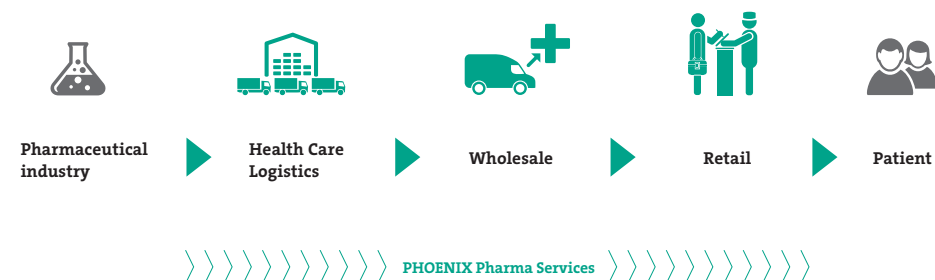
³⁾ Adjusted for impairment losses on goodwill, effects from depreciation or sale of financial assets, one-off effects in connection with the financial restructuring, as well as one-off effects related to the refinancing measures in 2012.

⁴⁾ Adjusted in accordance with IAS 19.93A.

⁵⁾ Adjusted in accordance with IAS 19.93A and other reclassifications.

⁶⁾ Adjusted owing to updated reporting standards.

PHOENIX group: link between manufacturer and patient



Wholesale



> As a wholesaler, the PHOENIX group ensures that the drugs and health products of pharmaceutical manufacturers are delivered to pharmacies and medical institutions both quickly and reliably. The storage and delivery of products is realised with distribution centres across Europe.

Pharma Services



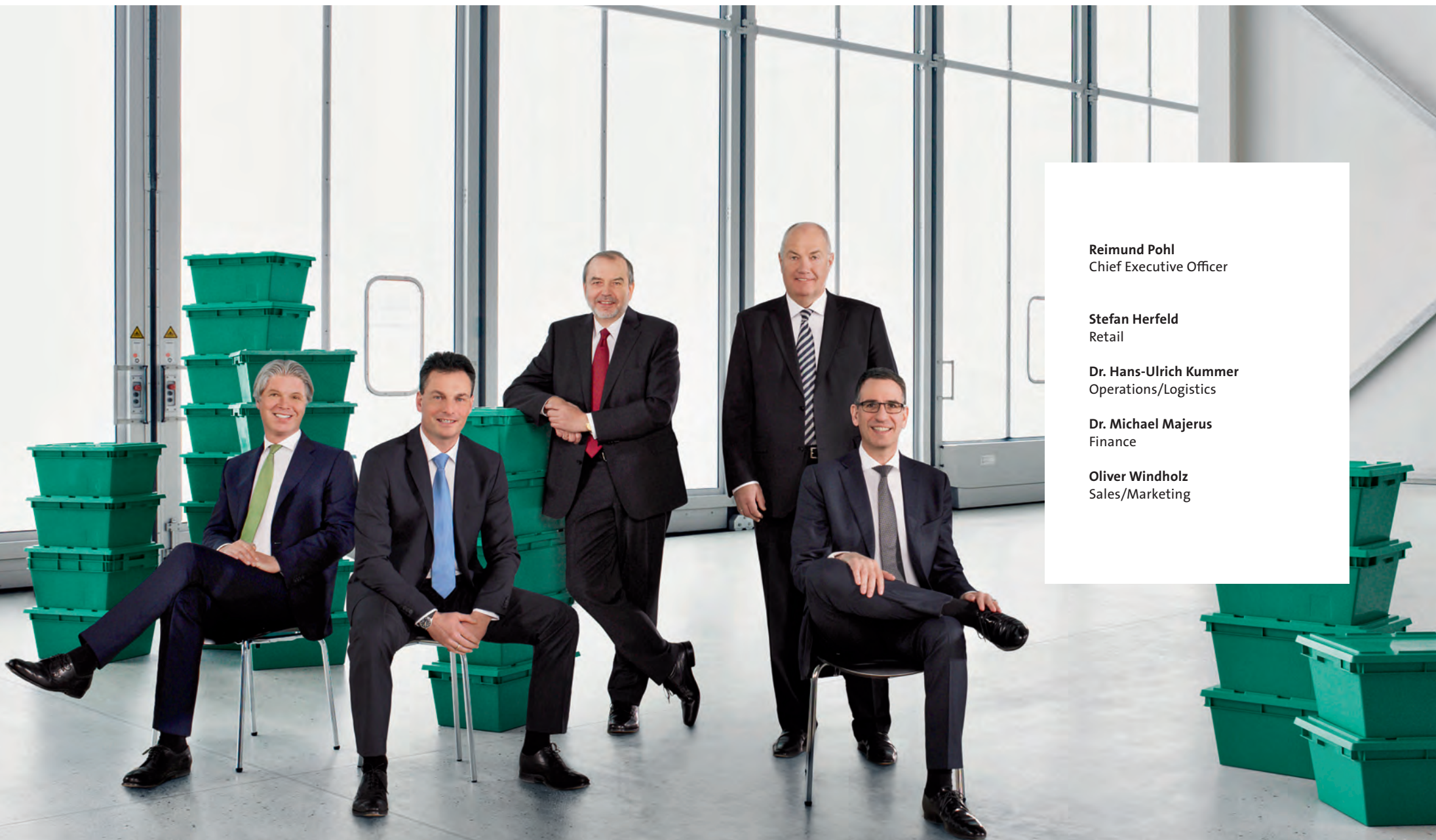
> Pharma Services offers a wide range of services that enable pharmaceutical manufacturers to focus their attention on the development and production of superior drugs. The PHOENIX group takes care of everything else.

Retail



> In pharmacy retail, the PHOENIX group is responsible for directly supplying the general public with pharmaceuticals and health products. The comprehensive and professional advice by our pharmacy staff is provided at the highest quality and with the best possible customer service.

Executive Board of the PHOENIX group



Reimund Pohl
Chief Executive Officer

Stefan Herfeld
Retail

Dr. Hans-Ulrich Kummer
Operations/Logistics

Dr. Michael Majerus
Finance

Oliver Windholz
Sales/Marketing

Sustainability

- > Corporate social responsibility report planned for 2013.
- > Quality management as key function for reliable supply of pharmaceuticals.
- > PHOENIX group involvement in health and science across Europe.
- > Pharmaceutical research rewarded with PHOENIX Pharmaceuticals Science Award.

The supply of pharmaceuticals is subject to the highest requirements in terms of safety, quality, and efficiency. The PHOENIX group is always aware of this corporate and social responsibility. Our day-to-day actions are determined by our aim of fulfilling this responsibility both now and in the future.

There are currently three developments in European pharmaceutical distribution: The cost pressure in the European healthcare systems is increasing and the margins are diminishing. At the same time, demographic development gives rise to an increasing need for medication and health services. The increasing globalisation of pharmaceutical distribution requires close partnerships across national boundaries. The battle against the trade of counterfeit drugs requires stricter regulation and considerable investments by the industry, pharmaceutical distribution, and pharmacies.

The PHOENIX group has set itself the objective of facing these challenges with a flexible and sustainable strategy. We guarantee a safe, reliable, and efficient supply chain even under difficult market conditions. The focus of our activities remains the quality and availability of products and the safety of patients.

Corporate social responsibility forms the basis for responsible actions

An element of this strategy is corporate social responsibility (CSR). Publishing the CSR report enables us to make our corporate activities transparent. The focus in terms of content lies in the economic, social, and ecological development of the PHOENIX group and is based on the guidelines set out in the Global Reporting Initiative. The first issue of the CSR report is scheduled for summer 2013, and by 2015/16, the report is to be extended to all international subsidiaries. As part of the CSR activities, the PHOENIX group, for example, is continuously looking for solutions to keep the environmental effects of pharmaceutical distribution and transportation to a minimum. This also includes the environment-friendly disposal of expired drugs.

Comprehensive quality management ensures our success

In a European pharmaceutical market characterised by constant changes, qualified and well-structured quality management is of great importance. The PHOENIX group guarantees comprehensive quality management that is able to respond quickly to European legislation and is being continuously enhanced and monitored. The annual external audits and reviews of our certifications enable us to ensure that the quality management systems are fully functional and up to date. We keep our employees informed by providing ongoing training on the current developments and requirements in pharmaceutical distribution. This includes courses in areas such as pharmaceutical law, transportation based on international regulations for Good Distribution Practice, and national legislation.



As part of our CSR activities, we support fundamental pharmaceutical research.



We guarantee a safe, reliable, and efficient supply chain.

In order to ensure the transparency of work processes and satisfy quality management demands, the PHOENIX group will publish a code of conduct in 2013, which defines a framework of action for all employees. In the context of establishing a compliance system, the anti-corruption policy is also opening the way for a comprehensive set of rules for the prevention against bribery and corruption. With these guidelines, applicable for all international subsidiaries, we commit ourselves to the consistent compliance with governing law and ethical standards.

National and international support

Supporting global aid projects is of great importance to the PHOENIX group. Through donations at a regional level, our international subsidiaries support various institutions such as local hospitals, national aid organisations, and medical faculties. As a supporting member of the Rhine Neckar metropolitan region, the PHOENIX group makes a contribution to regional development in the vicinity of the group headquarters in Mannheim.

We are committed to various aid projects around the world that focus primarily on people: For more than 15 years, the PHOENIX group in Germany has been supporting a child aid institution in Fortaleza, Brazil, through the organisation Kulturbras e.V. This made it possible for a full-time school to be built – ever since, more than 100 children have received schooling, a balanced diet, and access to medical care. In order to provide even greater support to the organisation, the PHOENIX group launched a fundraising initiative for a second consecutive year, which was linked to the sales volumes of its own brands from the PHOENIX private range.

The PHOENIX Pharmaceuticals Science Award – strengthening the scientific base

The company has been acknowledging achievements in fundamental pharmaceutical research for over 16 years with the PHOENIX Pharmaceuticals Science Award. In October 2012, the PHOENIX group awarded the prize for four exceptional scientific projects. The assessment for the award is traditionally carried out by an independent jury, chaired by Professor Dr. Jörg Kreuter from Johann Wolfgang Goethe University in Frankfurt am Main, Germany.



We deliver performance

The right medication at the right time in the right place. With 28,700 employees in 23 countries across Europe, we deliver maximum performance for seamless procedures.

> We move more than 8 million drug packages every day. Fast and reliable supply. This is possible thanks to our unique geographical coverage across Europe. Great care and diligent control are always a matter of course for us.

Performance is the driving force. First-rate logistics and exceptional capacities make us a leading pharmaceutical trader. Our supply network of 155 distribution centres is unrivalled in Europe. At the service of our customers, we therefore represent the safe and reliable provision of pharmaceuticals.

Impressive array of services, logistics expertise, exceptional geographical coverage



Safe and reliable distribution of pharmaceuticals guaranteed

Excellence in logistics

> Our activities in wholesale are distinguished by our highly efficient procedures – from storing drugs to dispatching them to our customers. We supply around 70,000 pharmacies, doctors, and hospitals by the fastest possible means. The distribution centres keep in stock a market-compliant and comprehensive range – with more than 100,000 items in some countries. As a wholesaler, this performance makes us a market leader in 10 European countries.

Outstanding capacities

> Impressive! Our new high-bay storage facility in Tampere, Finland, and the adjacent wholesale warehouse provide a total of around 30,000 pallet spaces. Based on these criteria, it is considered the largest pharmaceutical logistics centre in Northern Europe, storing 45 per cent of all pharmaceuticals delivered in Finland. Tampere is an example of our strong market presence. We supply the pharmaceutical industry with a total of more than 170,000 pallet spaces in Europe.

Our top performers

> Highly qualified, motivated, and loyal employees and managers make up the PHOENIX group. We can only provide our customers with the best possible services by dealing openly with one another, ensuring continuous training, and being committed. Our key focus is to further existing skills, potential, and motivation on all levels because the exceptional performance, ideas, and initiative of our employees form the basis for our success.



In the pre-wholesale sector, we manage the entire logistics process ex factory for pharmaceutical manufacturers across Europe.



In our distribution centres, pharmaceuticals are picked and sorted in PHOENIX boxes and delivered to pharmacies.



Our pharmacy staff advises patients across Europe on all issues concerning health and well-being.



The people of Europe can rely on the safe and comprehensive supply of pharmaceuticals.



We deliver support

Healthcare has become evermore challenging. Reform and modified framework conditions require constant adjustment. We simplify procedures and help ease the load for our customers, regardless of whether they are manufacturers, pharmacists, or patients.

> We know the market and the challenges it presents. We respond flexibly to change and constantly provide appropriate support. You can rely on our services. Our customers can thus focus on the essentials.

Providing support through experience. We relieve the healthcare systems in Europe by advance financing goods in stock. We are able to support pharmaceutical manufacturers across the entire supply chain. Our services facilitate the daily routine for pharmacists. Our employees across Europe are reliable contacts in all topics relating to health.

Extensive range of services, responsible advice, strong brands

Our services for pharmacies

> Simplifying complex matters: this is the aim of our range of services for pharmacies. Our German subsidiary ADG supports pharmacists, for example, through its innovative range of inventory control, point of sales, and management systems. Our inventory management system (Vendor Management Inventory) enables us to coordinate and organise stocks for pharmacists in Denmark.

Strong retail

> Our own pharmacies allow us to stay in direct contact with patients in twelve European countries. We create trust in our pharmacy brands BENU, Apotek 1, and rowlands pharmacy across Europe with the high quality of advice and professional expertise our employees provide. The new corporate brand BENU is already taking a leading position in continental Europe with its 700 pharmacies.



The strategy for comprehensive healthcare

PHOENIX Pharma Services

> We have extended our range of products and services in the PHOENIX Pharma Services sector. With the optimised "All-in-One" concept, we bundle our comprehensive services together and offer them along the pharmaceutical supply chain at a local, regional, or European level. From the provision of clinical test samples to special storage solutions for rare medicines and assistance with marketing activities, our pharmaceutical customers benefit from our exceptional industry expertise.

Drugs packaged individually

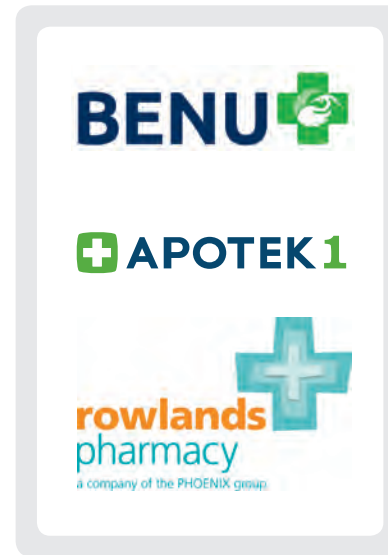
> Our blister packaging service enables us to provide individual assortments of drugs, thus allowing hospital and nursing home staff to dedicate more time to the actual care of patients.



Our blister packaging service supports pharmacists by relieving them of the investment risk for the purchase and maintenance of own equipment.



Thanks to the diverse services and offers such as the innovative point of sales systems from ADG, pharmacists can focus on the most important – the patient.



A wide range of products and comprehensive advice – this is what distinguishes our strong pharmacy brands BENU, Apotek 1 (Norway), and rowlands pharmacy (United Kingdom).



All-in-One enables us to support customers in the pharmaceutical industry with an extensive range of services across the whole supply chain.





We deliver values

Health is a most valuable asset. Drugs and medical products are of particular importance when it comes to maintaining your health. Our awareness of this fact determines our actions and guarantees exceptional quality.

> Our ultimate aim is customer satisfaction. Comprehensive quality management is therefore of utmost importance. In this regard, we represent clear objectives, quick decisions, fast routes, and structured co-operation. This is how we jointly create values!

Values form the foundation. PHOENIX group signifies a customer-oriented corporate culture. Consistently and closely linked throughout Europe with the highest quality standards. Our customers reward us with their trust as well as numerous awards.

Reliable partnerships, distinct focus on quality, sustainable responsibility

Numerous accolades

> In a survey by PharmaRundschau – the most important among German pharmacists – two gold medals were awarded for “Best Pharmacy Partner”: one to the PHOENIX group in the wholesale category and one to our German subsidiary ADG in the pharmacy IT sector. Overall, the PHOENIX group has been awarded this prize eleven times, making it the record holder. Our pharmacy brand in Norway, Apotek 1, was nominated for the most important retail prize in the country; our British pharmacy chain rowlands pharmacy was honoured 39 times in total since 2008. Dr. Sándor Küttel, the longstanding managing director of our Hungarian subsidiary, received a lifetime achievement award from the national association of pharmacists.

Values form the basis for long-term customer satisfaction

Value-oriented action

> Our group-wide leadership guidelines form an important cornerstone for co-operation. These determine the conduct among our colleagues and provide standards for management. In addition, we will introduce compliance regulations and a code of conduct across Europe. As part of our company values, this code of conduct will serve as a framework of action for employees both inside and outside the company.

Quality management as a factor for success

> We ensure the consistently high quality of our work. We follow the standards set out by the European Commission for the safe transportation of pharmaceuticals, we train our employees, and we regularly partake in independent reviews. We put forth maximum effort every day to ensure the quality and availability of products along the pharmaceutical supply chain.



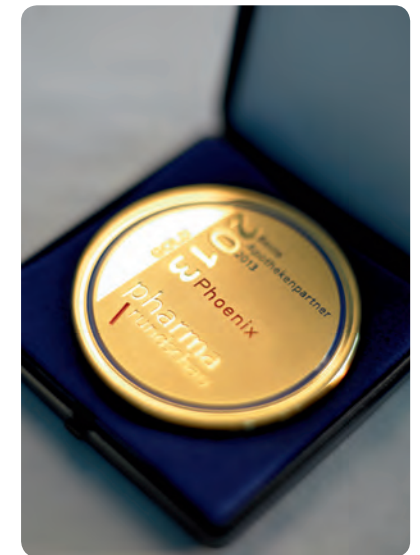
Our code of conduct will support employees in their day-to-day work and will characterise the conduct amongst each other as well as towards customers and suppliers.



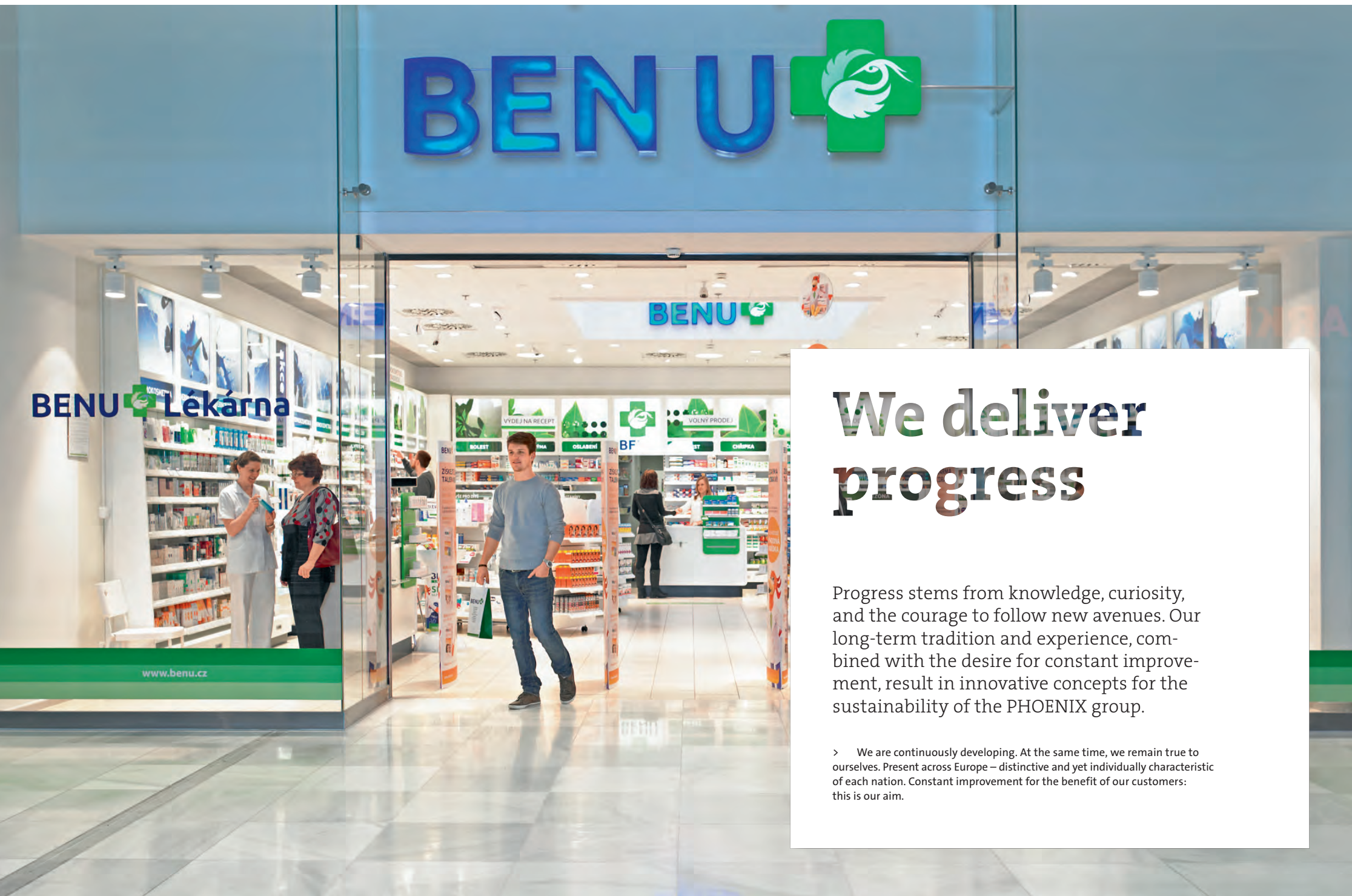
The values of the PHOENIX group contribute to our high quality standard across Europe.



For the many temperature-sensitive drugs, we ensure transportation in the cold chain – from the manufacturer to the pharmacy.



Top performance and reliability pay off: we have been awarded the prize for “Best Pharmacy Partner” in Germany eleven times already – clearly distinguishing us from all other wholesalers.



BENU  Lékárna

www.benu.cz

We deliver progress

Progress stems from knowledge, curiosity, and the courage to follow new avenues. Our long-term tradition and experience, combined with the desire for constant improvement, result in innovative concepts for the sustainability of the PHOENIX group.

> We are continuously developing. At the same time, we remain true to ourselves. Present across Europe – distinctive and yet individually characteristic of each nation. Constant improvement for the benefit of our customers: this is our aim.

Progress through new ideas. In the pharmacy retail business, this is represented by the launch of the new brand BENU. The Europe-wide best practice exchange adds to the ongoing development of the PHOENIX group. We shape the future by investing in the training and further education of our employees and by continuously optimising our technical infrastructure.

Innovative concepts, successful co-operation, constant drive for improvement



The vision for the PHOENIX group of tomorrow

BENU: the new brand

> We breathe new life into the pharmacy retail business: we are setting new standards in market presence with our young pharmacy brand BENU, which is already taking a leading position in continental Europe with 700 pharmacies in seven countries. In the BENU pharmacies, our customers can get a first-hand look of the innovative concept, inviting interior, and optimised presentation of products. Our employees advise customers on all health issues – in a competent and dedicated manner. The new BENU products from the nutritional supplements sector further underline our reliable quality.

Best practice across Europe

> We advance our progress by sharing successful concepts across countries. Optimal results are guaranteed by adjusting to local conditions. We bring colleagues together from all over Europe via an online platform, enabling them to learn from one another and exchange methods of success. For example, the co-operation concept that has been successful for pharmacies in Germany (MIDAS) is now also being launched as a pilot project in Finland.

Investments in the future

> We are continuously investing in the implementation of new ideas and the ongoing development of the PHOENIX group. Our employees and managers receive extensive training tailored to their needs, fields, and positions. We also ensure ongoing improvements in logistics and IT, and optimise the range of services for our customers. Overall, an investment sum of EUR 150 million has been allocated in the fiscal year 2012/13.



The competent advice by our well-trained employees as well as the product selection in BENU pharmacies impress our customers all over Europe.



The transnational exchange of expertise makes it possible: the German co-operation concept MIDAS is now also being launched in Finland.



PHOENIX group employees are given an extensive range of advanced training options and are in constant communication across national borders.



Ongoing development: continuously optimised technology ensures seamless processes, such as the new automated picking system in Herne, Germany.

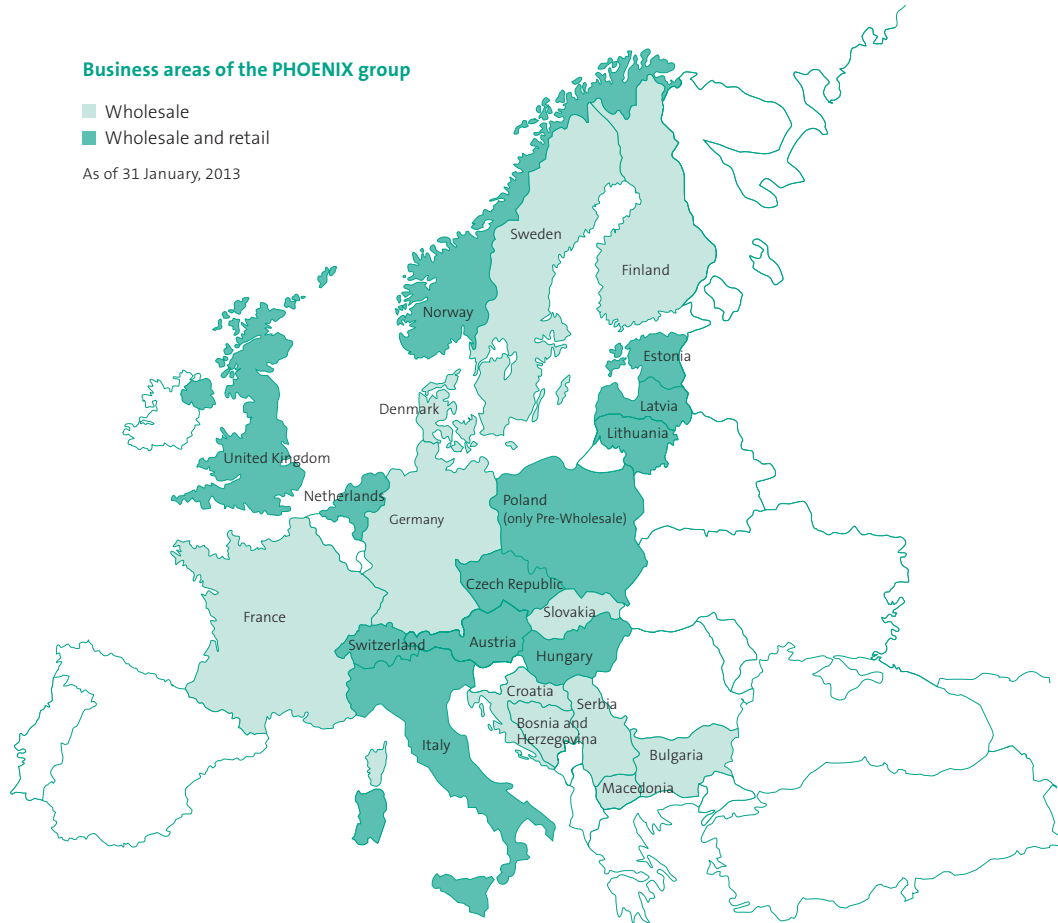
PHOENIX country overview

> The PHOENIX group is active in 23 countries across Europe.
 > This geographic coverage is unrivalled. > We are ranked amongst the top three pharmaceutical wholesalers in 20 countries, and are the market leader in ten countries. > In the pharmacy retail business, we likewise offer the broadest coverage in Europe through our presence in 12 countries. > In the majority of countries, we are operating under the new, leading corporate brand BENU.

Business areas of the PHOENIX group

- Wholesale
- Wholesale and retail

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 The German version is binding.

