

In accordance with the articles 106 and 133 of the Market in Financial Instruments Act and the Rules of Ljubljana Stock Exchange the Management Board announces the

**resolutions of the 16<sup>th</sup> Annual General Meeting of Krka, tovarna zdravil, d. d., Novo mesto, held on 7 July 2011.**

The total number of shares and voting right represented on the meeting was 14,870,204 or 44.29% of the total shares with voting rights.

The Notary Public, Andrej Tiran of Novo mesto attended the General Meeting.

**Adopted resolutions:**

**1. Opening of the company's General Meeting and election of working bodies**

**Dušan Jenko is appointed as Chair of the General Meeting, and IXTLAN FORUM, d. o. o., Ljubljana as vote enumerators.**

The resolution was passed with majority of votes.

**2. Presentation of the Annual Report by the Management Board, including information on remuneration of members of the Management and Supervisory Boards, the Auditor's Report, and the Supervisory Board's Report on its verification and approval of the 2010 Annual Report, adoption of the resolution on the use of the 2010 accumulated profit and discharge of liability for the Management and Supervisory Boards for 2010.**

**2.1. The General Meeting adopts the information by the Management Board on the Annual Report for the 2010 financial year, including information on remuneration of the Management and Supervisory Boards members, and the Supervisory Board's Report on its verification and approval of the Annual Report.**

Resolution 2.1. was adopted. There were 14,870,204 votes cast on the proposed resolution, equivalent to the same number of shares. There were 14,831,016 votes in favour of the proposed resolutions representing 99.74% of all votes cast.

Shareholder Jože Colarič submitted counterproposal to the proposal 2.2. by the Management Board and Supervisory Board. Counterproposal is as follows:

**2.2. The accumulated profit for 2010 in the amount of EUR 168,944,967.18 is allocated as follows:**

- To dividends (EUR 1.40 gross per share).....	EUR 47,000,461.20
- To other profit reserves .....	EUR 60,972,252.99
- To carry forward to the next year .....	EUR 60,972,252.99

**The payout of dividends is to commence within 60 days after the General Meeting according to the shareholder records in the share register kept at KDD-Central Securities Clearing Corporation, Ljubljana as of 12 July 2011 (record date 2).**

Counterproposal was adopted. There were 14,798,627 votes cast on the counterproposal, equivalent to the same number of shares. There were 13,900,482 votes in favour of the counterproposal representing 93.93% of all votes cast.

Shareholder Društvo – Mali delničarji – Skupaj smo močnejši announced challenging action against adopted counterproposal to the item 2.2. on its behalf and on behalf of other shareholders that gave proxies to this shareholder.

**2.3. The General Meeting approves and gives its consent to the work of the Management and Supervisory Boards for the 2010 financial year and discharges each of them from liability for performance of their duties.**

**Discharge to the Management Board:** Resolution was adopted. There were 14,870,204 votes cast on the proposed resolution, equivalent to the same number of shares. There were 14,764,795 votes in favour of the proposed resolutions representing 99.29% of all votes cast.

**Discharge to the Supervisory Board:** Resolution was adopted. There were 14,870,204 votes cast on the proposed resolution, equivalent to the same number of shares. There were 14,763,601 votes in favour of the proposed resolutions representing 99.28% of all votes cast.

**3. Discussion and adoption of the resolution on the Supervisory Board members remuneration**

**3.1. »Supervisory Board members receive attendance fee for attending the Supervisory Board meetings in the amount of EUR 275.00 gross for each member. Supervisory Board committee members receive attendance fee for attending Supervisory Board committee meeting on the level of 80% of attendance fee for attending the Supervisory Board meetings for each committee member. The attendance fee for correspondence session is 80% of the normal attendance fee. Irrespective of previous provisions and thus irrespective of the number of attended meetings, individual member of the Supervisory Board is, in each business year, entitled to receive attendance fees until the total amount of received attendance fees, either based on attended Supervisory Board meetings or Supervisory Board committee meetings, does not reach 50% of basic remuneration for performing duties in the Supervisory Board based on actual receipts on annual basis.**

In addition to attendance fees, Supervisory Board members receive basic annual remuneration for their duties in the amount of EUR 15,500.00 gross per each member. The Supervisory Board President is entitled to additional compensation at the level of 50% of basic remuneration for Supervisory Board members. The Supervisory Board Deputy President is entitled to additional compensation at the level of 10% of basic remuneration for Supervisory Board members. Supervisory Board committee members receive additional compensation for performing their duties, where for individual committee member amounts to 25% of basic remuneration for Supervisory Board members. The committee president is entitled to additional compensation at the level of 50% of additional compensation for Supervisory Board committee membership.

Supervisory Board members and Supervisory Board committee members receive entitled basic remuneration and additional compensation in equal monthly payments until they are performing duties. Monthly payment is equal to one twelfth of the above stated annual amounts. Irrespective of the above and thus irrespective of the number of committees where an individual is a committee member or a committee president, individual Supervisory Board committee member is, in each business year, entitled to additional compensation until the total amount of additional compensations does not reach 50% of basic remuneration for performing duties of the Supervisory Board member for individual member, based on actual receipts on annual basis.

The limitation of total attendance fees or additional compensations for Supervisory Board members does not affect, in any way, obligation of each member to actively attend the Supervisory Board meetings and committee meetings, where individual is a committee member, and legally defined responsibility of each member.«

**3.2. The attendance fees and travel expenses are paid out to the SB members and SB committee members in accordance with the respective regulations of Krka, d. d., Novo mesto. The accommodation costs may be reimbursed if the distance from permanent or temporary place of residence of the SB member or SB committee member to the place of performing their duties is at least 100 kilometres and if the member was not able to return to the place of residence, because there was no public transport envisaged according to the time table or due to other objective reasons.**

**3.3. This resolution will enter into force and is applied with the date of adoption at the General Meeting. This adopted resolution nullifies the resolution adopted by the 14<sup>th</sup> General Meeting on 2 July 2009.**

The adopted resolution is a combination of the proposal by Kapitalska družba d. d. and Slovenska odškodninska družba to the item 3.1., and the Management Board's and Supervisory Board's proposal to items 3.2 and 3.3. There were 14,407,160 votes cast on the counterproposal, equivalent to the same number of shares. There were 10,126,696 votes in favour of the counterproposal representing 70.29% of all votes cast.

#### **4. Nullification of the 14<sup>th</sup> General Meeting resolution on the Authorisation for the acquisition of own shares and its substitution with the new resolution:**

**The 14th General Meeting resolution on the Authorisation for the acquisition of own shares is nullified and is substituted with the new resolution. The General Meeting gives the Management Board the Authorisation to acquire own shares:**

- i. The General Meeting authorizes the Management Board to acquire own shares, given that the total percentage of acquired shares along with existing own shares will not exceed 10% of issued capital, which is 3,542,612 shares.**
- ii. This Authorisation is valid for 36 months from the date of adoption.**
- iii. The company may acquire own shares on the regulated market at respective market prices. The company may also acquire shares outside regulated market. When purchasing own shares on regulated market or non-regulated market, the purchase price must not be lower than the book value based on the last available audited business statements for the Krka Group. Also, the purchase price must not exceed the price-to-earnings multiple of 30, based on net profit of majority shareholders as stated in the last available audited financial statements of the Krka Group.**
- iv. Own shares acquired on the base of the authorisation concerned and the authorisation from the 2<sup>nd</sup> General Meeting of 5 November 1997 and the 14<sup>th</sup> General Meeting of 2 July 2009, may be disposed of in the following way:**
  - To be exchanged for equity-stakes in other companies, based on company's M&A strategy,**
  - To be sold to a strategic partner,**
  - To be used for secondary listing of shares on stock exchanges outside the Republic of Slovenia.**
- v. Upon the disposal of own shares in accordance with item iv. of this resolution, the pre-emptive right of the existing shareholders is entirely excluded.**

Resolution was adopted. There were 14,870,074 votes cast on the proposed resolution, equivalent to the same number of shares. There were 14,721,279 votes in favour of the proposed resolutions representing 99.00% of all votes cast.

#### **5. Discussion and adoption of resolution on appointment of auditor**

**KPMG Slovenija, podjetje za revidiranje, d.o.o., Ljubljana is appointed as the company auditor for the 2011 financial year.**

Resolution was adopted. There were 14,815,567 votes cast on the proposed resolution, equivalent to the same number of shares. There were 13,910,677 votes in favour of the proposed resolutions representing 93.89% of all votes cast.

Shareholder Društvo – Mali delničarji – Skupaj smo močnejši announced challenging action against adopted resolution on its behalf and on behalf of other shareholders that gave proxies to this shareholder.

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The following major shareholders were present or represented at the meeting:

Shareholder	No. of shares held and voting rights	% of total voting rights
SLOVENSKA ODŠKODNINSKA DRUŽBA, D. D.	5,312,070	15.82
KAPITALSKA DRUŽBA, D. D.	3,493,030	10.40
ZAVAROVALNICA TRIGLAV, D. D.	388,300	1.16
TRIGAV VZAJEMNI SKLADI - DELNIŠKI TRIGLAV STEBER I	379,698	1.13
BANKA CELJE, D. D.	235,342	0.70

Novo mesto, 7 July 2011

Jože Colarič  
President of the Management Board and  
Chief Executive