



## PRESS RELEASE

### Good sales performance of Krka

**Novo mesto, 5 April 2007** – At today's press conference the President of the Management Board and Chief Executive presented, along with his colleagues, the first quarter 2007 sales results for the Krka Company and the Krka Group. The Krka Group sold products and services worth EUR 204.6 million, while sales of the Krka Company totalled EUR 182.6 million.

### January-March 2007 sales results of the Krka Group

The Krka Group sold products and services worth EUR 204.6 million, which is a 13% increase over the first quarter last year. The sales in the first quarter of 2007 were 22% higher compared to the average quarterly sales in the year 2006. The total sales of the Krka Group, which also include sales by subsidiaries in Slovenia and abroad, are by 12% or EUR 22 million higher than sales of the Krka Company. Krka's subsidiaries in Poland, Croatia, Russian Federation and health resorts Terme Krka in Slovenia contributed to higher Group sales.

The percentage of sales on markets outside Slovenia is growing and has reached 88%. The sales on markets outside Slovenia grew by almost EUR 25 million, totalling EUR 178.9 million, which is 15% above last year's figures for the same period.

Sales on the **Slovenian market** stood unchanged at EUR 25.7 million, representing over 12% of Krka Group sales. Krka has 15.6% market on the Slovenian pharmaceutical market.

The **Central Europe** region recorded sales growth of 27%, accounting for 27% of the Group sales. The largest market within the region is Poland, whereas the Czech Republic, Hungary, Slovakia and Lithuania recorded the highest growth rates.

**East Europe** is the second largest region, with sales amounting to EUR 51.8 million, which represents 25% of the Krka Group sales. Due to lower sales in the Russian Federation, which stood at EUR 36.1 million, the sales in East Europe were down 3% compared to the same period last year. The Russian Federation remains Krka's largest market, whereas the highest sales growth was recorded in Ukraine, Belarus and Uzbekistan.

Sales in the **South-East Europe** stood at EUR 35.2 million, growing 28% compared to the same period last year and representing 17% of the Group sales. The single largest market is Croatia.

In **West Europe & Overseas Markets** sales grew at 19%, totalling EUR 36.1 million and amounting to 18% of the Group sales. In this region, the Krka Company founded and is the 100% owner of two subsidiaries: KRKA FARMACÉUTICA, LDA in Estoril, Portugal and KRKA USA, LLC in Delaware, USA.

**Prescription pharmaceuticals** sales were EUR 167 million and represented the largest, 82% share in the Group sales. The sales of prescription pharmaceuticals were up 13% or by EUR 19 million. The sales of **self-medication products** accounted for EUR 22.9 million, representing 11% share in total sales. With sales up by EUR 4.3 million or 23%, the self-medication products recorded the highest growth rate.

The sales of **animal health** stood at EUR 5.5 million, while sales of **cosmetic products** totalled EUR 2.3 million. The **health resorts and tourist services** sales grew by 13% and amounted to EUR 6.8 million, representing approximately 3% of the Group sales.

### January-March 2007 sales results of the Krka Company

The Krka Company sold products and services worth EUR 182.5 million (12% growth rate). In Slovenia, which represents 10.1% of the Krka Company's sales, the sales were down by 5%. However, sales on the markets outside Slovenia grew by almost EUR 21 million or by 15%.

### 2006 Dividends

At the annual general meeting of Krka, d.d., Novo mesto, being held on 5 July 2007, the shareholders will also decide on the accumulated profit distribution, which totalled SIT 24,764 million or EUR 103.3 million. The Management Board and the Supervisory Board will propose to the shareholders a gross dividend payment of EUR 8.00 per share (SIT 1,917.12), which represents a 16.2% increase over the dividend paid in 2005, when the dividend was SIT 1,650. According to the total number of shares eligible for dividends, the total value of dividends to be paid amounts to SIT 6,480 million or slightly over EUR 27 million.