

## Corporate Governance Code Compliance Statement

The Management Board and Supervisory Board of Krka, tovarna zdravil, d. d., Novo mesto hereby state:

That in 2006 individual members of the Management and Supervisory Board, and the Management and Supervisory Boards as bodies of a public limited company, have acted in compliance with the principles of the governance for public limited companies and have worked to ensure their implementation within the company. In 2006 the Rules of Procedure for the Supervisory Board, the Auditing Committee, the Human Resource Committee, and the Management Board were all updated. All these documents are in full compliance with the provisions of the Companies Act and the Corporate Governance Code. Particular emphasis was placed on potential conflicts of interest of individual members of the boards, with statements being made on when they occur and the conduct of individual members or of the boards, if any conflict of interest arises. The Rules of Procedure for the Supervisory Board was also published on the company website.

The company's objectives – as required by provision 1.1.1. of the Code – have been incorporated into the draft of the amended articles of association, which will go before the company's general meeting for approval in 2007. We assess this to be a minor deviation from the Code.

Except for the minor divergences mentioned above, Krka complies with all the provisions of the Corporate Governance Code, which has been valid since 5 February 2007, and is published in Slovene and English on the website *www.ljse.si*.

Jože Colarič  
President of the Management Board

Gregor Gomišček, PhD  
President of the Supervisory Board

Novo mesto, 7 March 2007