



PRESS RELEASE

Krka is opening Sinteza 4 – a new plant for the production of active pharmaceutical ingredients

Novo mesto, 12 June 2007 – Tomorrow at noon, the Prime Minister of the Republic of Slovenia Janez Janša and Krka's President of the Management Board and Chief Executive Jože Colarič will officially open Sinteza 4, the new plant for the production of active pharmaceutical ingredients, ensures that Krka manages the entire process from research to raw material production, up to the finished product, and manufactures active ingredients for products that will in the coming five to ten years represent Krka's most perspective sales range. The new plant will employ 60 new employees.

The wide marketing and sales network and rich range of high quality products help Krka achieve good sales results. To ensure these results in the future, we at Krka continually introduce new technological improvements.

Managing the process from raw material to the finished product

Sinteza 4, one of Krka's largest and most laborious investment projects in the history of Krka, is the new chemical synthesis plant for the production of active pharmaceutical ingredients (API) – the main active substances used in manufacture of finished products in various dosage forms. The key objective of this investment project, which together with the liquid raw materials warehouse is worth 80 million euros, is availability of own capacities on a state-of-the-art technological level.

The new, modern plant adds to Krka's vertical integration model which involves managing the entire process from research to raw materials and the finished products that in quality, efficacy and safety reach the world's top level. In the plant we will produce active substances for medicines that in the coming five to ten years will represent Krka's most perspective sales range.

Production was started as planned in August 2006, when the verification process was completed and the manufacturing licence was granted. The plant is constructed in line with the current EU standards and regulations. The active ingredients manufactured in Sinteza 4 that are incorporated in the finished forms of medicines for lowering of high blood pressure or high cholesterol levels, or for the treatment of other conditions, are supplied to Krka's production units in Novo mesto, Croatia, Poland and the Russian Federation. Currently we manufacture here the most important APIs simvastatin, lansoprazole, carvedilol, valsartan, atorvastatin, and venlafaxin in batch sizes ranging from 200 to 300 kg.

The phases of chemical synthesis carried out in this plant determine the actual pharmacological effect of the medicine, and it is very important that continuous control of the

raw materials, production environment and processes is in place throughout all phases of the technological process, and that high and repeatable quality of the finished API is assured.

A modern site extending over 7300 m²

The design and construction of the site started in 2002. Many Slovenian and foreign experts from different fields were involved in the project which is one of the largest of this kind in Europe. The realisation involved leading Slovenian and foreign performers and suppliers of equipment. The plant is constructed in line with the state-of-the art technical and technological solutions and in compliance with GMP guidelines as well as strictest European occupational health and safety, and environmental safety standards.

The site has two parts, the production part extending over 7300 m² and the auxiliary energy supply part comprising 3200 m². In the production building there are reactors with a capacity of 80 m³ for carrying out chemical reactions and secondary reactors with a capacity 14 m³ for solvent regeneration. The contemporary automated guidance system provides modular and flexible guidance of technological processes and offers the possibility to modify technological connections during the production. In this way the production lines can swiftly be adapted to changes on the market.

Safety of employees and care for the environment

From the start, the Sinteza 4 project particularly focused on the safety of people who work there and on environmental care, and many technical solutions were adapted to meet the environmental requirements. One of the solutions is the regeneration and re-use of solvents, while production process is completely self-contained and ensures limited emissions into the surroundings. Waste water is biologically disintegrated in the waste water treatment plant. Thermo-oxidation prevents emissions of gas phases, and leftover solvents are burnt in authorised furnaces outside Krka. The entire site is fire protected with a modern fire detection and alarm system and has an active fire protection system in place.

In the future the production in Sinteza 4 will ensure availability of strategic active pharmaceutical ingredients for Krka and will contribute to further consolidation of the company's position on the demanding world markets.