



PRESS RELEASE

Krka Acquired TAD Pharma GmbH

Novo mesto, Cuxhaven, 9 November 2007 – Krka, d. d., Novo mesto (Krka) signed on 8 November 2007 an agreement with PHW Group for the acquisition of TAD Pharma GmbH in an all-cash transaction valued at EUR 97 million. The transaction will be funded using a combination of Krka's cash on hand, current financial assets and committed credit facilities.

Commenting on the transaction, Jože Colarič, President of the Management Board and Chief Executive of Krka, said: "This is a milestone in Krka's history. TAD Pharma is the first acquisition ever for Krka, which will supplement our effective organic business development and further enhance our position in the generic pharmaceutical industry in West Europe. In Germany Krka is present through our partners. The acquisition of TAD Pharma will enable Krka to be directly present on the German market, which is the largest pharmaceutical market in Europe. TAD Pharma has a strong and recognized brand on the domestic market, developed marketing and sales infrastructure, some production capacities, development and control centre and an experienced management team. All of which is well complemented with Krka's broad product portfolio and R&D pipeline, which are a result of vertically integrated business model. TAD Pharma also has activities abroad, which enable us to access to new markets. I am confident that the integration of TAD Pharma into the Krka Group will be a winning combination for both companies. TAD Pharma from Cuxhaven in Germany will increase its sales on domestic and foreign markets also by selling products manufactured in Slovenia."

Commenting on the transaction, Paul-Heinz Wesjohann, Chairman of the Board of PHW, said: "We are convinced that we have made a good decision for the company, its employees, and the city. The acquisition of TAD Pharma by Krka means a more successful future of the company in Cuxhaven and will enable the desired internationalisation of the company. The generic pharmaceutical industry in Germany has been influenced by the implementation of comprehensive healthcare reforms, therefore large, internationally oriented and vertically integrated companies like Krka and the companies within the Krka Group will have significantly better prospects on this market in the future. TAD Pharma has now a strong owner with pharmaceutical business as core business activity, which will make the company together with Krka even more competitive. Together with Mr Schütz, General Manager of TAD Pharma, we both think that the acquisition will have a positive influence on the local community in Cuxhaven, especially as Krka acquired also all of the TAD Pharma's real estate."

Commenting on the transaction, Jens-Peter Schütz, General Manager of TAD Pharma, said: "I am very optimistic, because with this transaction TAD Pharma succeeded to leapfrog to the top of the generic industry. This enables TAD Pharma further growth possibilities. Krka ranks among the top 15 companies in the pharmaceutical generic industry worldwide and is known

as a rapidly developing company with the newest portfolio of generic products and modern manufacturing capacities.”

About the transaction

With the transaction Krka acquired 100% ownership of TAD Pharma, i.e. acquired all business activities, equipment and real estate of TAD Pharma. The transaction also includes the acquisition of 2.5 hectares of additional land for potential expansion.

About Krka

Krka is one of the leading generic pharmaceutical companies in the world, with over 50 years of experience in the industry. The company is focused on prescription pharmaceuticals marketed under own brands. The extensive portfolio of prescription pharmaceuticals is supplemented by self-medication (OTC), cosmetic, animal health products and health and tourism services. Krka serves customers in more than 70 markets. Krka is headquartered in Novo mesto, Slovenia, with the production and distribution facilities located in Slovenia, Poland, Croatia and the Russian Federation. The Krka Group sales of products and services in 2006 were EUR 668 million. Krka's shares are quoted on the Ljubljana Stock Exchange in Slovenia.

For more information visit www.krka.si

About TAD Pharma GmbH

Headquartered in Cuxhaven in Germany, TAD Pharma was a part of the PHW Group. The company is among the 15 biggest generic suppliers on the German pharmaceutical market. TAD Pharma is focused on drugs for cardiovascular, central nervous system and urogenital diseases. Krka is acquiring TAD Pharma with 170 employees. For the business year ending in June 2007, the sales of the company amounted to EUR 59.3 million, hereof EUR 52.5 million in Germany. In the same period the exports amounted to EUR 6.8 million, representing 11% of total sales. TAD Pharma has 296 products in its product portfolio, hereof 185 products for domestic market and 111 products for export markets. TAD Pharma has marketing authorisations for 115 molecules.

For more information visit www.tad.de.

About PHW Group

PHW Group is a family-owned business group including 35 medium-sized companies. The annual sales of the group amounts to approximately EUR 1.4 billion. The majority of sales are achieved with nutrition products. A smaller part of sales represent pharmaceuticals for human and veterinary use.

Additional information

Additional information is available at finance@krka.biz.