



PRESS RELEASE

Proposed dividend for Krka shareholders over 15% higher than last year

Novo mesto, 9 April 2009 – At yesterday's regular meeting, the Krka Supervisory and Management Board drew up the proposal that Krka pay its shareholders a dividend of EUR 1.05 gross per share, which is an increase of over 15% on last year's dividend. The Supervisory Board also studied the sales results of the Krka Group and Krka Company for the first quarter of 2009. Krka Group's sales during the first quarter of 2009 were at a level similar to the same period last year, while Krka Company sales were up by 3%. The Krka Group achieved sales of products and services worth EUR 245.2 million, while the Krka Company's sales were worth EUR 216.2 million.

Krka Group sales for the first quarter of 2009

In the first quarter of 2009 the Krka Group realised sales on markets outside Slovenia worth EUR 218.4 million, representing 89% of total Group sales. The largest Krka sales region remains Central Europe, representing 29% of total sales. The highest sales growth on the larger individual markets was achieved in the Russian Federation, Poland, Slovakia, Hungary, Italy and the United Kingdom.

The most important product group is **prescription pharmaceuticals**, with sales revenues of EUR 204.6 million, representing 84% of overall Group sales. **Self-medication** product sales in the first quarter of 2009 were worth EUR 25.0 million (10% of total sales), **animal health product** sales were worth EUR 5.8 million (2% of sales), and sales of **cosmetics** EUR 1.8 million (1% of sales). Sales of **health resort and tourist services** came to EUR 7.7 million, which represents 3% of overall Group sales, while growth in sales of such services compared to the same period last year was also 11%.

Krka Company sales for the first quarter of 2009

Sales by the Krka Company were worth EUR 216.2 million, representing growth of 3%. Sales on markets outside Slovenia represented 91% of total Krka Company sales.

Investments

The Krka Group allocated EUR 23 million to investment in the first quarter of 2009. The largest current investment projects currently underway at Krka are the expansion of production capacity at the Sinteza plant, which is required to meet the need to produce increasing quantities of new active pharmaceutical ingredients, the reconstruction of the Bršljina plant, where a new biocide production facility will be built and the syrup production facilities reconstructed and expanded, the expansion of pastille production in Ljutomer, and the preparation for the construction of a new capsule-production plant on the Ločna site, with a capacity of 2 billion capsules per year.

Employees

The number of employees in the Krka Group rose by 161, or 2%, in the first three months of the year. At the end of the first quarter of 2009, the number of employees in the Krka Group was 7763, with 5119 employed within the Krka Company, 1969 in subsidiaries abroad, and 675 in the Terme Krka group. As in past years, the first quarter of 2009 again saw recruitment increase primarily in the field of marketing and sales at home and abroad, and in research and development.

A total of 3669 Krka employees now work outside Slovenia, which is 47% of all employees in the Group.

Shares and Shareholders

The Krka share price on 31 March 2009 was EUR 52.61, which is 9% increase compared to the year-end 2008 price when it stood at EUR 48.27. The Slovenian Stock Exchange Index (SBI 20) lost 4% over the same period.

At the end of March 2009 Krka had 79,056 shareholders, which is over 2% more than at the end of 2008. The total number of shareholders increased primarily through an increase in individual Slovenian investors and international investors, while the ownership share for domestic investment companies and funds and domestic legal entities fell slightly.

Krka's market capitalisation totalled EUR 1.9 billion at the end of the first quarter, and the daily turnover in Krka shares was EUR 698,000, making it the most traded security on the Ljubljana Stock Exchange over the period.

Proposal on the use of the 2008 accumulated profit

At its meeting the Supervisory Board prepared a proposal on the use of the 2008 accumulated profit, together with the Management Board. It will propose to the Company's General Meeting, which take place on 2 July 2009 that the Krka Company's accumulated profit for 2008 of EUR 151,362,990.65 be allocated as follows:

- to dividends: EUR 35,489,475.00 (EUR 1.05 EUR gross per share), which represents a 15.4% increase on the previous year's dividend
- to other profit reserves: EUR 57,936,757.83
- to carry forward to the next year: EUR 57,936,757.82.

The business results of the Krka Group and Krka Company for the first quarter of 2009 are provisionally set for publication on 14 May 2009.