

Fourteenth Krka Annual General Meeting

Otočec, 2 July 09 – The fourteenth Annual General Meeting of the pharmaceutical company Krka, d.d., Novo mesto took place today at 13.00 at Hotel Šport in Otočec. The shareholders present represented 39.28% of equity with voting rights. This year the share dividend was set at EUR 1.05 gross per share.

The General Meeting began with the presentation to shareholders of the annual report of the Management Board, the auditor's report and the report by the Supervisory Board on its verification and approval of the 2008 Annual Report. The general meeting decided on the use of the accumulated profit for 2008 and the approval (discharge of liability) for the Management and Supervisory Boards for 2008.

The President of the Krka Management Board and Chief Executive, Jože Colarič, opened the meeting by informing shareholders of key business results in 2008, and operations in the first half of the present year.

The Krka Group's estimated sales of products and services for the first half of 2009 totalled EUR 477.9 million, which is EUR 8.6 million or 2% higher than in the first half of last year. Sales on markets outside Slovenia, which represent 89% of total Group sales, were worth EUR 425.2 million, an increase of EUR 7.1 million compared to the same period last year. Sales by the Krka Company were worth EUR 420.8 million, growing 1%.

Krka's largest sales region was its Region Central Europe where it achieved sales of EUR 136.3 million, 29% of overall sales. Sales in the region were EUR 12.7 million or one tenth higher compared to the same period last year, representing the highest absolute and relative sales growth among Krka regions. Krka's second largest region by sales was Region East Europe where it achieved sales of EUR 117.3 million, 25% of overall Group sales. Sales in the region fell by 2% compared to the same period last year. In Region Western Europe and Overseas Markets, sales were worth EUR 107.6 million, an increase of EUR 1.3 million or 1% on the same period last year. The region's sales represented 23% of overall sales. Sales in Region South Eastern Europe were worth EUR 63.9 million, which is 13% of overall Group sales, a decrease of 7% on the first half of last year. Sales in Slovenia reached EUR 52.7 million, 3% higher than for the same period last year, and represented 11% of overall Krka Group sales. The largest market is the Russian federation with sales worth EUR 86.6 million which is 10% higher compared to the same period last year.

During the first half of 2009, Krka again faced numerous operational challenges. The global financial crisis has led to a fall in purchasing power, and the devaluation of local currencies on many important Krka markets. Krka is therefore closely following events on all sales markets, and measures that governments are taking in individual countries. Trade receivables and their maturity structure are regularly monitored along with changes in average payment

terms to ensure that the Krka Group's credit exposure is kept within acceptable limits, even in more difficult conditions on the market.

The estimated value of Krka Group investments in the first half of the year was EUR 47 million, with EUR 42 million invested by the Krka Company, and EUR 5 million by subsidiaries. Krka's largest investments this year are the expansion of production capacity in the Notol plant to include a small-batch production facility, increasing pellet and capsule capacity, reconstruction of the Bršljin plant, adding extra production lines to the Sinteza 4 plant, and increasing capacity at the pastille production plant in Ljutomer.

At the end of June, the Krka Group had 7839 employees, which is 237 (3%) more than at the start of the year. The Krka Company in Slovenia had 3459 employees, there were 3701 employees in representative offices and subsidiaries abroad, while the Terme Krka Group had 679 employees. This means that 47% of all Krka staff are now outside Slovenia. At least 59% of Krka Group employees have at least a university education.

The Krka share price stood at EUR 69.94 at the end of June, an increase of 46% from the start of the year. The Slovenian Stock Exchange Index (SBI 20) increased 15 % over the same period. On 30 June 2009 there were 80,811 Krka shareholders, 5% more than at the start of the year. The ownership share of private Slovenian investors increased by half a percentage point compared to the start of the year, passing 44%, while the ownership share of international investors increased by one percentage point to 9%. The ownership shares of Slovenian investment companies and Slovenian companies were both slightly down.

The Krka Group and Company's half year business report for 2009 is planned for publication on SEOnet on 30 July 2009.

Shareholders passed a resolution at the General Meeting on the use of the 2008 accumulated profit which amounted to EUR 151,362,990.65; EUR 35,489,475.00 was allocated to dividends, EUR 57,936,757.83 to other revenue reserves, with EUR 57,936,757.82 being carried forward to next year.

The payout of the dividend of EUR 1.05 gross per share will start within 60 days of the General Meeting's conclusion. Payment will be carried on the basis of data in the shareholder records in the share register at the KDD-Central Securities Clearing Corporation, Ljubljana on 7 July 2009.

The General Meeting approved and gave its consent to the work of the Management Board and Supervisory Board for their work in the 2008 financial year, and discharged them of liability for performance of their duties.

Shareholders also passed a resolution on the gross attendance fee and reimbursement of expenses for Supervisory Board members and members of Supervisory Board committees. The resolution was in line with Slovenian government recommendations on this matter.

The shareholders were informed of the appointment of worker representatives to the company's Supervisory Board for 5-year terms-in-office.

In 2007 Dr Marko Kranjec resigned as a member of the Supervisory Board due to his appointment to a new position. In response to a proposal from the Supervisory Board, the shareholders therefore passed a resolution appointing a replacement member to the board, Mojca Osolnik Videmšek. She has been appointed until the end of the term-in-office of the current Supervisory Board members (21 June 2010).

The General Meeting also adopted a resolution authorising the Management Board to acquire treasury shares. The authorisation to acquire and dispose of treasury shares will provide Krka with an additional source of financing for potential takeovers.

The shareholders appointed KPMG Slovenija, podjetje za revidiranje, d. o. o., Ljubljana as the company auditor for the 2009 financial year.