



## PRESS RELEASE

### **Fifteenth Krka Annual General Meeting**

Otočec, 17 June 2010 – The fifteenth Annual General Meeting of the pharmaceutical company Krka, d. d., Novo mesto took place today at 13.00 at Hotel Šport in Otočec ob Krki. The shareholders present represented 39.54% of equity with voting rights. This year the share dividend was set at EUR 1.10 gross per share.

The General Meeting began with the presentation to shareholders of the annual report of the Management Board, the emoluments of members of the Management and Supervisory Boards, the auditor's report and the report by the Supervisory Board on its verification and approval of the 2009 Annual Report. The General Meeting also decided on the use of the accumulated profit for 2009, and the discharge of liability for the Management and Supervisory Boards for 2009 as well as on amendments and modifications to the company's Articles of Association proposed on the basis of amendments to the Companies Act. They also elected new members of the Supervisory Board as the mandate of the current members will expire on 21 June this year.

### **Presentation of business operation**

The President of the Krka Management Board and Chief Executive, Jože Colarič, opened the meeting by informing shareholders of key business results in 2009, and of the estimated sales results achieved in the first half of the present year.

The estimated sales of products and services for the first half of 2010 is by over 4% higher than in the same period last year and will amount up to EUR 500 million. The largest sales region of the Krka Group is Region Central Europe, with good sales results, compared to the same period last year, achieved in Poland, Hungary and Lithuania. Krka's second largest region by sales is Region East Europe, with the Russian Federation as the largest market. Sales in this country will remain on the last year's level. It is followed by Region West Europe and Overseas Markets recording the highest sales increase in the Scandinavian countries and Region South-East Europe recording a good sales increase in Romania and Bosnia and Herzegovina. Sales on the market in Slovenia will represent over 10% of total sales of products and services.

In the first half of 2010 Krka's units abroad plan 172 new employments and Krka Slovenia 150 new employments, meaning the Krka Group will employ almost 8300 workers at the end of June.

This year the Krka Group continues investing in development and production capacities. A part of investment activities, which were slowed down due to uncertain economic circumstances in 2009, were transferred into the 2010 plan. At present, the biggest Krka's investment is construction of a plant for production of solid pharmaceutical forms with a capacity of 2.5 billion capsules, tablets or coated tablets per year. In the first half of this year Krka will allocate about EUR 44 million for investments and equipment.

On 15 June 2010 there were 81,647 Krka shareholders. The largest group are private Slovenian investors counting more than 80,000 shareholders and representing 44% of all Krka shares. The ownership share of international investors represents over 11%. The largest individual shareholders remain the two public funds, Slovenska odškodninska družba and Kapitalska družba.

### **Resolution adopted by the General Meeting**

Despite the counter proposals filed by the two associations Mali delničarji – Skupaj smo močnejši (MDS) (Minor Shareholders Society – Together we are stronger) and Vseslovensko združenje malih delničarjev (VZMD) (All-Slovenian association of minor shareholders – VZMD), the shareholders adopted, at the General Meeting, a resolution proposed by the company's Management and Supervisory Boards, i.e. that the accumulated profit for 2009 in the amount of EUR 161,749,148.26 is allocated as follows:

- for dividends EUR 37,179,450.00 (EUR 1.10 gross per share),
- to other profit reserves EUR 62,284,849.13,
- to carry forward to the next year EUR 62,284,849.13.

The payout of dividends will start within 60 days of the General Meeting's conclusion. The shareholder records in the share register at the KDD-Central Securities Clearing Corporation, Ljubljana on 21 June 2010 will apply for dividend payment.

The General Meeting approved and gave its consent to the work of the Management and Supervisory Boards for the 2009 financial year and discharged each of them from liability for performance of their duties.

As the mandate of the current members of the Supervisory Board expires in June this year, the shareholders decided, at this General Meeting, about electing new members. Upon proposal by the Nomination and HR Committee, the Supervisory Board proposed that the following candidates be elected as new members of Krka Supervisory Board starting their five-year term-in-office on 21 June 2010: Prof. Dr. Julijana Kristl, Jože Lenič, M.Sc., Vincenc Manček, Mojca Videmšek Osolnik, Matjaž Rakovec and Dr. Sergeja Slapničar, Associate Professor. Despite the counter proposals filed by the associations Mali delničarji – Skupaj smo močnejši (MDS) (Minor Shareholders Society – Together we are stronger) and Vseslovensko združenje malih delničarjev (VZMD) (All-Slovenian association of minor

shareholders – VZMD), the shareholders elected the proposed candidates for the mandate period of five years.

The shareholders also adopted the proposal for amendments and modifications to the Articles of Association suggested on the basis of amendments to the Companies Act. Among others, it does not allow the Supervisory Board members to participate in the company's accumulated profit and it expands the possibility of using electronic media related to announcing the participation in the General Meeting, counter proposals and authorisations.

The shareholders appointed KPMG Slovenija, podjetje za revidiranje, d. o. o., Ljubljana as the company auditor for the 2010 financial year.