



In accordance with the articles 106 and 130 of the Market in Financial Instruments Act the Management Board announces the

resolutions of the 19th Annual General Meeting of Krka, tovarna zdravil, d. d., Novo mesto, held on 3 July 2014.

The total number of shares and voting rights represented on the meeting was 18,356,586 or 55.98% of the total shares with voting rights.

The Notary Public, Andrej Tiran of Novo mesto attended the General Meeting

1 Opening of the Company's General Meeting and election of working bodies

1.1 The attorney Stojan Zdolšek shall be appointed as the Chair of the General Meeting, and IXTLAN Forum, d. o. o., Ljubljana as the vote enumerator.

The resolution was passed unanimously.

2 The presentation of the 2013 Annual Report prepared by the Management Board, including the information on remuneration of members of the Management and Supervisory Boards, the Auditor's Report, and the Supervisory Board's report on its verification and approval of the 2013 Annual Report, adoption of the resolution on the allocation of the 2013 accumulated profit and the discharge of liability for the Management and Supervisory Boards for 2013

2.1 The General Meeting is informed on the Management Board's Annual Report for the 2013 financial year, the remuneration of the members of the Management and Supervisory Boards, and the Supervisory Board's Report on its verification and approval of the Annual Report.

2.2 The accumulated profit for 2013 in the amount of EUR 179,352,421.39 shall be allocated as follows:

- To dividends (EUR 2.10 gross per share)	EUR 68,866,240.80
- To other profit reserves	EUR 55,243,090.30
- To carry forward to the next year	EUR 55,243,090.29

The payout of dividends shall commence within 60 days after the General Meeting has been concluded. The shareholder records in the share register at *KDD – Centralna klirinško depotna družba* (Central Securities Clearing Corporation), d. d., Ljubljana, as at 8 July 2014 (record date 2) shall apply for the dividend payout.



The resolution was adopted. There were 18,355,899 votes cast on the proposed resolution, equivalent to the same number of shares. There were 18,325,797 votes in favour of the proposed resolutions representing 99.84% of all votes cast.

2.3 The General Meeting approves and gives its consent to the work of the Management Board for the 2013 financial year and discharges it from liability for performance of its duties.

The resolution was adopted. There were 18,355,884 votes cast on the proposed resolution, equivalent to the same number of shares. There were 18,346,965 votes in favour of the proposed resolutions representing 99.95% of all votes cast.

2.4 The General Meeting approves and gives its consent to the work of the Supervisory Board for the 2013 financial year and discharges it from liability for performance of its duties.

The resolution was adopted. There were 18,356,586 votes cast on the proposed resolution, equivalent to the same number of shares. There were 18,346,320 votes in favour of the proposed resolutions representing 99.94% of all votes cast.

3 Decrease of share capital by cancelation of treasury shares

- 1. Due to the cancelation of treasury shares, the Company's share capital shall decrease from EUR 59,126,194.28 by the amount of EUR 4,393,929.57. After the decrease, the share capital shall amount to EUR 54,732,264.71.**
- 2. The decrease of share capital shall be executed by the cancelation of 2,632,672 shares under the symbol KRKG representing 7.431% of all Company's shares issued and held in the Company's treasury. After the decrease, the Company's share capital shall consist of 32,793,448 ordinary no-par value registered shares carrying the symbol KRKG.**
- 3. The cancelation of treasury shares shall be executed based on a simplified procedure of the share capital decrease with cancelation of treasury shares in accordance with the Paragraphs 3 and 4 of Article 381 of the *Companies Act*. The purpose of the share capital decrease is to increase the shareholder value and the return on shareholders' equity.**
- 4. In accordance with Paragraph 3 of Article 381 of the *Companies Act*, the share capital decrease shall be executed against the decrease of the *other revenue reserves*. In accordance with Paragraph 5 of Article 381 of the *Companies Act*, share premium shall be increased by EUR 4,393,929.57. After the increase, share premium shall amount to EUR 105,897,419.36.**



5. **The General Meeting authorises the Management Board to cancel 2,632,672 treasury shares carrying the symbol KRKG and to remove these shares from the central securities registry at *KDD – Centralna klirinško depotna družba, d. d.***
6. **In accordance with Article 329 of the *Companies Act*, the General Meeting authorizes the Supervisory Board to amend the Articles of Association to present share capital and the number of shares issued according to this resolution.**

The resolution was adopted. There were 17,860,544 votes cast on the proposed resolution, equivalent to the same number of shares. There were 17,836,160 votes in favour of the proposed resolutions representing 99.86% of all votes cast.

4 Authorisation for acquisition of treasury shares

The General Meeting authorises the Management Board to acquire own shares:

- a) **The General Meeting authorizes the Management Board to acquire treasury shares, however, the total percentage of acquired shares shall not exceed 10% of the share capital or 3,279,344 shares.**
- b) **This authorisation shall remain valid for 36 months from the date of adoption.**
- c) **The Company may acquire treasury shares on the regulated market at the respective market prices. The Company may also acquire shares outside the regulated market. When acquiring treasury shares on the regulated market or on the non-regulated market, the purchase price shall not be lower than the share book value based on the last available audited financial statements for the Krka Group. The purchase price shall also not exceed the price-to-earnings multiple of 25 based on net profit of majority shareholders as stated in the last available audited financial statements of the Krka Group, which is approximately the highest share value on the regulated market so far.**
- d) **Treasury shares acquired on the base of this authorisation may be disposed of in the following way:**
 - **They may be exchanged for equity-stakes in other companies based on the Company's merger-and-acquisition strategy, or**
 - **They may be sold to a strategic partner.**
- e) **Upon the disposal of treasury shares in accordance with item d) of this resolution, the pre-emptive right of the existing shareholders shall be entirely excluded.**

The resolution was adopted. There were 18,356,586 votes cast on the proposed resolution, equivalent to the same number of shares. There were 18,319,844 votes in favour of the proposed resolutions representing 99.80% of all votes cast.

5 Information on election of workers' representatives in the Supervisory Board

The General Meeting is informed that the Workers' Council has elected workers' representatives to the Supervisory Board, with a five-year term of office. The representatives are:

- Franc Šašek,
- Tomaž Sever, and
- Mateja Vrečer.

6 Appointment of the auditor for 2014 financial year

6.1 *Ernst & Young Revizija, poslovno svetovanje, d. o. o., Ljubljana, Dunajska cesta 111, 1000 Ljubljana* shall be appointed as the auditor for the 2014 financial year.

The resolution was adopted. There were 18,356,586 votes cast on the proposed resolution, equivalent to the same number of shares. There were 18,340,431 votes in favour of the proposed resolutions representing 99.91% of all votes cast.

There were no challenging actions presented on the General Meeting.

The following major shareholders were present or represented on the General Meeting:

Shareholder	No. of shares held and voting rights	% of total voting rights
SLOVENSKA ODŠKODNINSKA DRUŽBA, D. D.	5,312,070	16.20
KAPITALSKA DRUŽBA, D. D.	3,493,030	10.65
SOCIETE GENERALE-SPLITSKA BANKA D. D.	1,307,410	3.99
HYPO ALPE-ADRIA-BANK D. D.	993,405	3.03
NEW WORLD FUND INC.	755,000	2.30

Novo mesto, 3 July 2014

Jože Colarič
President of the Management Board and Chief
Executive