

the company **identity**



Living a healthy life.

in brief

Krka is one of the top generic pharmaceutical companies in Europe.

Our basic activity is the production and sale of prescription pharmaceuticals, self-medication products, cosmetic and animal health products.

We at Krka have focused mainly on developing our own high quality generic medicines with added value, which we market under our own brand names.

Our products are sold in more than 70 countries. Our traditional markets extend from Vladivostok to Lisbon.

Our international presence is strengthened by numerous companies and representative offices abroad, and further extended through our own production and distribution centres in Poland, the Russian Federation, Croatia, and Germany.

All our production meets the strictest international production and pharmaceutical standards (GMP-EU, GMP-FDA, GMP-WHO), as well as quality management standards (ISO 9001), and we also apply an environmental management system (ISO 14001), and implement HACCP principles.

We invest intensively in the knowledge and creativity of our employees. Together we accomplish our strategic aims and build up long-term relations with our partners.

Ever since 1954, when the Krka pharmaceutical laboratory was established in Novo Mesto, we have been caring for the wider social environment and the preservation of a healthy living environment.



address by the president of the management board

Krka is a leading international generic pharmaceutical company successfully competing in its sector with its high quality, safe and effective range of products.

Marketing our own products is a special challenge for our company, one in which we have been very successful to date, achieving good sales results.

We will continue to pursue this policy in future. In the long-term we want to maintain our position as a generics producer, and further strengthen it by developing new, innovative generic products.

Our plans include investing in development, expanding and modernising our production capacity, and increasing our marketing and sales work in Slovenia and on foreign markets.

Krka's rapid growth and development is due to experienced, creative and innovative people, putting into practice their respect for other people, all living beings and the environment.

We work hard and responsibly to foster partnership and trust. We know that these two values form the basis for good relations with our customers, as well as our employees, shareholders and the wider community.

Caring for people's health and quality of life comes first at Krka. That is our contribution to creating a better world.

A stylized, handwritten signature in black ink, consisting of a large, sweeping loop followed by a smaller, more defined signature.

Jože Colarič
President of the Management Board and Chief Executive



prescription pharmaceuticals



self-medication products



cosmetic products



animal health products

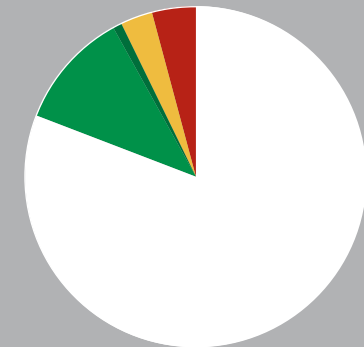


health resort and
tourist services

activities

Our core business operations involve pharmaceuticals and chemicals. Our core products are those for human use, which include prescription pharmaceuticals, self-medication products and cosmetic products. We also manufacture and market animal health products. Our range of operations is further complemented by health resort and tourist services.

The proportion of sales by product type



- prescription pharmaceuticals
- self-medication products
- cosmetic products
- animal health products
- health resorts and tourism

prescription pharmaceuticals

Krka's prescription pharmaceuticals are high-quality generic products with added value and are in the majority of cases a result of our own knowledge. On the markets of Central, East and South-East Europe they are marketed under our own brand names. Some medicines, however, are also the result of cooperation with foreign licensing partners.

Designing our product range is based on close monitoring of the indication areas, i.e. ailments and diseases, which most frequently afflict people today. This means developing new medicines and supplementing our product range with new pharmaceutical forms, particularly in the four key areas: cardiovascular diseases; gastrointestinal and metabolic diseases; infections; and diseases of the central nervous system.

Our rich range of medicines for treating cardiovascular diseases includes the most up-to-date products in every sub-group. Among the angiotensin-converting enzyme inhibitors, the gold standard remains enalapril, which is also produced in three different fixed-dose combinations with a diuretic. Enalapril has recently been joined by two of the most modern representatives in this group: ramipril, which is also offered in fixed-dose combinations with a diuretic, and perindopril. Among the angiotensin II antagonists, we market losartan and two combinations with a diuretic, and valsartan. Among the calcium antagonists, mention must be made of amlodipine, carvedilol among the beta-blockers, indapamide among the diuretics, and amiodarone among the anti-arrhythmics. Krka is one of the leading providers of hypolipemics from the statin group in Europe. Our range includes simvastatin, and atorvastatin, which are the successors to lovastatin.

We naturally produce effective medicines to fight gastrointestinal and metabolic diseases, the key products being the world's leading proton pump inhibitors, omeprazole, lansoprazole and pantoprazole.

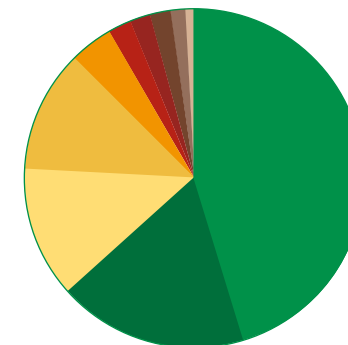
We also market a wide range of anti-infectives. Two highly effective examples are the macrolide antibiotics clarithromycin, which is also available as prolonged-release tablets for once daily administration, and azithromycin. We also produce the classical fluoroquinolones – ciprofloxacin and norfloxacin – as well as two antimycotics, fluconazole and terbinafine.

Our most up-to-date medicines include treatment for diseases of the central nervous system. To our classical products, which we have been marketing for decades, we have also added the newest drugs from the group of antidepressants: sertraline, mirtazapine and venlafaxine, and the antipsychotics olanzapine, risperidone and quetiapine. Olanzapine and risperidone are available also in orodispersible tablet form. Our range of psychopharmaceuticals is augmented by donepezil to treat Alzheimer's disease and the hypnotic zolpidem.

Two important medicines among the many we produce to treat other indication areas are diclofenac and tramadol, which are among the most frequently prescribed analgesics worldwide, and montelukast, a new medicine in the field of respiratory tract diseases. Our product range for the treatment of the symptoms of benign prostatic hyperplasia includes doxazosin in the modern pharmaceutical form, finasteride and tamsulosin.

With our rich range of products, we can alleviate many of the most frequent diseases of our times. And the numerous pharmaceutical forms, strengths and combinations available mean we can offer doctors options enabling them to select the most suitable medicine for their patients.

The proportion of sales of prescription pharmaceuticals and self-medication products by indication groups



- products for cardiovascular system
- products for alimentary tract and metabolism
- general anti-infectives
- products for central nervous system
- products for respiratory system
- products for musculo-skeletal system
- products for blood and blood forming organs
- products for genito-urinary system and sex hormones
- systemic hormonal preparations
- other

self-medication products

Krka's self-medication products are intended for prevention of diseases and treatment of milder disease symptoms which do not require medical care. In complementing our offer of these products we follow recommendations of the profession and customer needs. The quality of our products is well rounded-off by their modern, attractive packaging. Our self-medication products are known in Central, East and South-East Europe, where individual products are at the very top of consumption rankings.

The best known and best-selling brands are:

- Septotele® – mouth and throat antiseptics,
- Duovit® – vitamins and minerals for adults,
- Pikovit® – vitamins and minerals for children,
- Bilobil® and Herbion® – herbal medicinal products,
- Nalgesin® – analgesic.



cosmetic products

Health and beauty are closely linked; this is why Krka also offers top-class product lines for skin care, hair and scalp care, as well as sun protection and after sun care. Based on the latest world guidelines, an integrated skin care system was developed in our laboratories, which helps relieve different skin problems. We have entered the field of dermocosmetics, which is complemented by nutricosmetics which provide skin care from within.

Our best known brands include:

- Vitaskin® Pharma – pharmaceutical skin care,
- Vitaskin® – skin care,
- Fitoval® – active hair and scalp care,
- Sun Mix® – sun protection and after sun care.





animal health products

Krka has more than 60 registered animal health products. The main product groups are antimicrobials, anti-parasitics, feed additives and biocides.

The vast majority of our products is aimed at providing health protection for poultry and pigs; recently, we have also been devoting increasing attention to products for domestic pets.

Among our most important products we place the two modern antimicrobial drugs, enrofloxacin and florfenicol*, the biocide Ecocid® S and the anticoccidial Kokcisan®.

* Krka does not manufacture, offer for sale, or sell florfenicol manufactured following the process protected under the patent EP 922 040 in countries in which this patent is valid.

health resort and tourist services

The Krka subsidiary Terme Krka offers health resort and tourist services at these choice locations:

- Terme Dolenjske Toplice, where we treat rheumatic diseases, conditions following injury to the locomotor system, gynecological disorders and osteoporosis; at the Balnea relaxation centre we offer different wellness programmes;
- Terme Šmarješke Toplice, where we have specialized in treating cardiovascular diseases, sports injuries and psychosomatic disturbances, while the programmes of the Vitarium Spa&Clinique are designed to reinforcing health and psychophysical capabilities and improving the quality of everyday life;
- The Otočec hotels, including Hotel Grad and Hotel Sport and the tennis centre;
- Hotel Krka in Novo Mesto, offering business tourism and a rich culinary selection.

Diseases of the respiratory tract, conditions following injuries to the limbs, and osteoporosis are treated in our subsidiary Terme Krka – Strunjan in the seaside resort Strunjan, which also offers additional treatment in the Salia thalassotherapy centre.

The golf course at Otočec is managed by the subsidiary company Golf Grad Otočec.





the power of knowledge

and modern technology

At Krka, we are intensively developing generic pharmaceutical medicines with added value, which are the result of our own knowledge and know-how. All our medicines are renowned for their high quality, safety and efficacy. Our products are marketed under Krka's own brand names.

By developing new medicines, we are constantly extending the Krka product range and are entering new therapeutic areas. Applying quality improvement methods, innovative solutions in pharmaceutical formulations and technological approaches, together with the most up-to-date technology, means we can produce medicines on the basis of known active substances.

The active substances built into our generic medicines are generally derived from our own biosynthesis and chemical synthesis procedures. This enables us to make wisely considered investments in knowledge, state-of-the-art equipment and in R&D and production capacities.

An excellent knowledge of the regulatory requirements of individual markets – both of Western Europe and Central and East Europe – and rapid and effective management of marketing authorisation procedures have enabled us to successfully adapt to legislative changes, thus allowing swift entry of our products onto selected markets. Being an innovative market we also focus special attention to the industrial property issues and patent our inventions and innovations.

investments

The most important result of the accelerated investments made over the past decade has been the completion of Notol, a modern plant for the production of pharmaceuticals in solid dosage form. The plant incorporates a closed production system with vertical material flow, and a high level of automation, computer control and internal transport, guaranteeing the highest level of product safety and employee protection. Our strategic orientation towards developing Krka's own generic medicines is also being realised through investment in research and development capacities and our own network of production-distribution centres covering several countries. The new active pharmaceutical ingredient (API) production plant, producing APIs for our own finished dosage forms, ensures complete control over APIs which are the most important component of a medicinal product.

quality

At Krka, we consistently adhere to the requirements of Good Manufacturing Practice (GMP) for the production of active pharmaceutical ingredients and pharmaceutical products, ISO 9001, ISO 14001 and ISO 27001 standards, and to the principles of the Hazard Analysis and Critical Control (HACCP) and the Occupational Health and Safety (OHSAS) systems. All these requirements have been collated and described in Krka's Quality Manual. The compliance and performance of the entire quality management system is monitored not only by regulatory bodies from Slovenia and abroad, but also by our business partners. The level of quality prevailing at Krka today far surpasses the basic standards and regulations, and high quality is the constant objective we strive for in all our work.

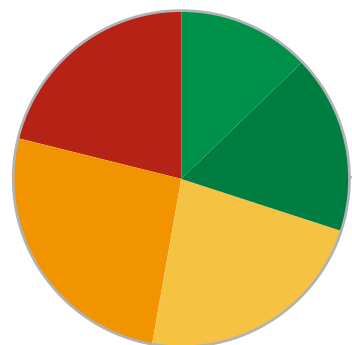


employees

We have been creating a working environment that is stimulating to the professional and personal growth of our staff. The need to perform well on markets, in development and marketing of new products and investing into new production capacities means we must have employees with the highest possible qualifications. We regularly extend and enhance their knowledge and skills with additional professional improvement and training courses at home and abroad. Stimulating young people to engage in research activities by offering traditional Krka prizes, study grants and interesting work in a dynamic multicultural international environment is an invitation to new talents to help us implement our ambitious goals.



- Slovenia
- South-East Europe
- East Europe
- Central Europe
- West Europe and Overseas Markets



Proportion of sales by regions

the global market

markets

Krka's key markets extend all the way from Vladivostok to Lisbon. We are a major generic medicine producer on the strategic markets of East, Central, Western Europe and Central Asia.

companies and representative offices abroad

Krka's global mission is accomplished by a very international network of employees, with nearly half of them working in companies and representative offices abroad. In addition to our extensive marketing network, we are also consolidating our international presence through our own production-distribution centres in the Russian Federation, Poland, Croatia, and in Germany, where a new range of generic products is being produced.

companies

- Croatia**, Zagreb
- Czech Republic**, Prague
- Germany**, Cuxhaven
- Hungary**, Budapest
- Ireland**, Dublin
- Macedonia**, Skopje
- Poland**, Warsaw
- Portugal**, Estoril
- Russian Federation**, Sergiev Posad, Istra
- Slovakia**, Bratislava
- Serbia**, Novi Sad
- Sweden**, Stockholm
- Ukraine**, Kiev
- USA**, Delaware

representative offices

- Albania**, Tirana
- Azerbaijan**, Baku
- Belarus**, Minsk
- Bosnia and Herzegovina**, Sarajevo, Banja Luka
- Bulgaria**, Sofia
- China**, Shanghai
- Estonia**, Tallinn
- Georgia**, Tbilisi
- India**, Bangalore
- Kazakhstan**, Almaty
- Kosovo**, Prishtina
- Latvia**, Riga
- Lithuania**, Vilnius
- Moldova**, Chisinau
- Romania**, Bucharest
- Russian Federation**, Moscow
- Serbia**, Belgrade
- Ukraine**, Kiev
- Uzbekistan**, Tashkent



- companies
- representative offices



the community

creating the future

K

Krka lives and breathes the global environment. By providing sponsorship and donations, we support projects in the medical and humanitarian domains, and invest in the development of sport, education, science and culture. One important strand of our development strategy, apart from Krka study grants, is the awarding of the Krka Prizes, which the company has been granting to young researchers for many decades now.

Care for health and concern for quality of life is also reflected in our relationship with the environment. By developing high quality processes we are speeding up development of clean production, and reducing the burden on nature as much as we can. We are committed to balanced development, so we devote special attention to protecting health of our employees and the environment.

Our success means we are creating the future today. We are well aware that our ambitions can only be realised through our complete commitment to shared values: speed and flexibility, partnership and trust, creativity and effectiveness.

The path and the objective are both known: through our own development and strong international connections we intend to remain at the very top of generic pharmaceutical production in Europe.

This is how we will realise our vision of being a prestigious, advanced company, which with maximum speed develops a range of high quality, readily accessible pharmaceutical products, promoting the restoration and preservation of health for a multitude of people throughout the world.

