



In accordance with the Rules of the Ljubljana Stock Exchange, Krka, d. d., Novo mesto, Šmarješka cesta 6, 8501 Novo mesto, is hereby releasing the following

## **JANUARY – MARCH 2004 RESULTS**

During January – March 2004 Krka achieved record sales of SIT 28 billion. The sales grew by 36% compared to the same period in 2003 and exceeded the sales target by 11%. The remarkable first quarter sales growth, which is traditionally strong quarter in sales terms, was mainly driven by market launches of two products for treatment of cardiovascular indications on the West European markets and these are: Tenox (amlodipine maleate) and Coryol (carvedilol). In this period the sales on the West European markets more than doubled (index 228) compared to the same period in 2003.

The prescription pharmaceuticals sales had the most significant share in total sales (81%), followed by self-medication products sales (12%), animal health sales (4%) and cosmetics sales (3%). In this period, the prescription pharmaceuticals sales grew most significantly by 48%, whereas cosmetics sales grew by 16% compared to the same period in 2003.

In this period Krka export sales amounted to SIT 23.1 billion, representing almost 83% in total sales. The most significant sales region was West Europe & overseas markets (25% in total sales) followed by East Europe (24%) and South-East Europe (19%). Compared to the same period in 2003, the West Europe & overseas markets region sales grew most significantly (by 128%), whereas East Europe region sales grew by 44%. First quarter sales targets were met in all sales regions, with the East Europe region exceeding the sales target most significantly by 27%.

The domestic and foreign investment activities are developing in accordance with the set-out goals. The most significant investment project is the construction and development of a new chemical synthesis plant for production of active pharmaceutical ingredients for own products. Furthermore, the installation of equipment in Notol – the new tableting plant is being continued to achieve its full production capacity in 2004. The largest part of investments is related to the IT system upgrade (implementation of SAP), which will be finished by the end of 2004.

The net profit for the period amounted to SIT 4.2 billion, growing over 50% compared to the same period in 2003.



	<b>1-3/ 2004</b>	<b>1-3/ 2003</b>	<b>Index</b>
Net sales (SIT thousands)	27,951,312	20,559,762	136
Net profit from ordinary activities (SIT thousands)	4,168,136	2,642,585	158
Net profit for the period (SIT thousands)	4,184,944	2,658,492	157
Earnings per share (SIT)*	4,725	3,002	157
Book value per share (SIT)**	28,378	25,888	110

\* annualised net profit /total number of shares issued

\*\* equity capital at 31 March 2004 / total number of shares issued

With remarkable first quarter 2004 results, Krka confirms its story of success in all of the past 50 years of company's existence. Exactly 50 years ago, on 23 April 1954, the District People's Committee in Novo mesto issued the decree for foundation of Krka pharmaceutical laboratory.

Management Board