ANTIBIOTICE S.A.

The financial statements below were drafted on December 31st, 2014

in accordance with the International Financial adopted by the European Union.

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ANTIBIOTICE
STATEMENT OF THE GLOBAL RESULT
for year ending December 31, 2014
(all amounts expressed in RON, if not mentioned otherwise)

		Year ending on	
	NOTE	**31-Dec-14**	**31-Dec-13**
Sales revenue	**4**	**318.945.093**	**317.432.940**
Other operating revenue		15.314.945	20.466.692
Revenue relative to costs for stocks of products		9.297.266	9.512.329
Revenue generated by capitalized activities		2.837.630	2.253.937
Expenses with raw materials and consumables	**5**	(108.174.189)	(107.346.872)
Staff related expenses	**6**	(71.439.222)	(70.814.378)
Expenditure on amortization and depreciation		(17.057.089)	(20.399.308)
Other operating expenses	**7**	(99.446.184)	(99.719.617)
Operating profit		**50.277.530**	**51.385.724**
	8	(12.914.398) (2.206.628)	(16.694.804) (2.429.210)
Net financial income	8		
Profit before tax		**37.363.132**	**34. 690.920**
Expenditure with tax on current profit and deferred tax	**9**	(6.224.393)	(3.310.065)
Profit		**31.138.739**	**31.380.855**
Other elements of the global result			
Earnings/losses from the revaluation of tangible assets		(354.498)	(490.150)
Income tax on other elements of the global result (revaluation)		56.720	78.424
Other elements of the global result, excluding taxes		297.778	411.726
Total global result		**30.840.961**	**30.969.129**
Result per share	**10**	0,0464	0,0467

Explanatory notes 1 to 28 are an integrating part of the financial statements

Approved by the Management Board on 26.03.2015
And signed on its behalf by: Drafted by:

CEO Economic Director
Ec. Ioan NANI Ec. Paula COMAN

ANTIBIOTICE
STATEMENT OF THE FINANCIAL POSITION
for the year ending December 31, 2014
(all amounts expressed in RON, if not mentioned otherwise)

	NOTE	31-Dec-14	31-Dec-13
ASSETS			
FIXED ASSETS			
Tangible assets	**11**	188.576.994	190.590.225
Intangible fixed assets	**12**	7.916.842	6.123.847
Investments in equity instruments			
TOTAL ASSETS		**196.493.836**	**196.714.072**
CURRENT ASSETS			
Stocks	**13**	57.284.464	50.363.337
Trade and similar receivables	**14**	232.062.022	254.001.617
Financial assets for sale			
Cash and cash equivalents	**15**	140	140
TOTAL CURRENT ASSETS		17.806.234	10.487.736
TOTAL ASSETS		**307.152.860**	**511.566.901**
		503.646.697	**511.566.901**
LIABILITIES			
CURRENT LIABILITIES			
Commercial and similar debt	**16**	49.916.170	53.366.639
Amounts owed to banks	**17**	54.783.341	72.139.195
Debt as taxes and current charges		12.436.407	8.196.629
	18		
Short-term provisions		5.021.334	3..753.883
Subventions for investment			
TOTAL CURRENT LIABILITIES		**119.157.252**	**137.456.346**
LONG-TERM DEBT			
Subventions for investment	**19**	3.521.762	3.949.729
	20	16.636.682	17.448292
Deferred tax		-	4.061.177
	21		
TOTAL LONG-TERM DEBT		**20.158.444**	**25.459.199**
TOTAL DEBT		**139.315.696**	**162.915.545**

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CEO
Ec. Ioan NANI

Economic Director
Ec. Paula COMAN

(all amounts expressed in RON, if not mentioned otherwise)

	NOTE	31-Dec-14	31-Dec-13
Share capital and reserves			
Share capital	**22**	**264.835.156**	**264.835.156**
Revaluation reserves	23	4.158.471	5.721.808
Legal reserves	23	13.189.007	11.360.142
Other reserves	23	118.149.425	105.017.965
Reported result	24	(67.139.797)	(69.664.570)
Current result	25	31.138.739	31.380.855
TOTAL SHAREHOLDERS' EQUITY		**364.331.001**	**348.651.356**
TOTAL EQUITY AND DEBT		**503.646.697**	**511.566.901**

Explanatory notes 1 to 28 are an integrating part of the financial statements

Approved by the Management Board on 26.03.2015
And signed on its behalf by: Drafted by:

CEO
Ec. Ioan NANI

Economic Director
Ec. Paula COMAN

ANTIBIOTICE
CASH FLOW STATEMENTS
for year ending December 31, 2014
(all amounts expressed in RON, if not mentioned otherwise)

	Year ending on	
	31-Dec-14	**31-Dec-13**
I. **Operating cash flow**		
Cash collection from sales of goods and provision of services	322.905.011	300.662.506
Cash collection from royalties, fees, charges and other income	97.353	683.763
Cash payments to suppliers of goods and services	(165.298.921)	(169.031.738)
Cash payments to and on behalf of employees and payroll expenses	(69.137.056)	(65.871.713)
VAT paid	(1.059.262)	(82.032)
Contributions to the Ministry of Health and Ministry of the Environment	(18.254.337)	(9.727.128)
Other taxes, fees and assimilated charges paid	(1.808.435)	(1.148.367)
Operating cash	**67.249.648**	**54.746.921**
Interest charged	11.579	46.292
Interest paid	(2.111.806)	(2.802.415)
Income tax paid	(7.002.580)	(2.390.691)
Net cash flows generated by operations	**58.146.841**	**49.599.478**
II. Cash flow generated by investments		
Cash payments for purchasing land and fixed assets, intangible assets and long-term assets	(19.513.117)	(14.756.029)
Net investment cash flow	**(19.513.117)**	**(14.756.029)**
III. FINANCING CASH FLOW		
Proceeds/reimbursment generated by short-term loans	(17.721.666)	(20.803.131)
		-
Dividends paid	(13.593.559)	(9.559.137)
Net cash flows generated by financing activities	**(31.315.226)**	**(30.362.268)**
Net cash increase/decrease	**7.318.498**	**4.481.181**
Cash and cash equivalents at the beginning of the interval	**10.487.736**	**6.006.554**
Cash and cash equivalents at the end of the interval	**17.806.234**	**10.487.736**

Explanatory notes 1 to 28 are an integrating part of the financial statements

Approved by the Management Board on 26.03.2015
And signed on its behalf by: Drafted by:

CEO Economic Director
Ec. Ioan NANI Ec. Paula COMAN

ANTIBIOTICE
STATEMENT OF CHANGES IN THE SHAREHODERS' EQUITY
for year ending December 31, 2014
(all amounts expressed in RON, if not mentioned otherwise)

	Subscribed capital	**Adjustments regarding capital**	**Reserves**	**Other reserves**	**Current and reported result**	**Result from revaluation reserves**	**Result following adjustment correction**	**Reserves from revaluatio n**	**Result following applying IAS/IFRS for the first time**	**Result following applying IAS 29 for the second time**	**TOTAL**
31-Dec-12	**56.800.710**	**197.701.352**	**11.341.443**	**101.607.532**	**27.110.755**	**-**	**(2.486.809)**	**7.940.556**	**125.818.030**	**(197.701.352)**	**328..132.218**
Current global result	-	-	-	-	31.380.855			**-**	**-**	**-**	**31.380.855**
Share capital increase -reserves	528.705	-	-	528.705	-		-	-	-	**-**	**9.804.389**
Share capital increase -dividends	9.804.389	-		-	18.699		-	-	-	-	-
Allotted legal reseve											
Revaluation reserves	-	-	18.699	3.339.138	3.939.138				-	**-**	**20.066.109**
Dividends distributed					20,666,109			2.218.750			
Transfer to revaluation reserves	-	-	-	-	-	2.218.750	-	-	-	-	-
Result following adjustment corrections	-	-	-	-	2.486.809	-	2.486.809	-	-	-	-
31-Dec-13	**67.133.804**	**197.701.352**	**11.360.142**	**105.017.965**	**31.380.855**	2.218.750	**-**	**5.721.808**	**125.818.032**	**(197.701.352)**	**348.651.356**

Explanatory notes 1 to 28 are an integrating part of the financial statements

ANTIBIOTICE

STATEMENT OF CHANGES IN THE SHAREHODERS' EQUITY

for year ending December 31, 2014

(all amounts expressed in RON, if not mentioned otherwise)

	Subscribed capital	Adjustments regarding capital	Reserves	Other reserves	Current and reported result	Result from revaluation reserves	Result following adjustment correction	Reserves from revaluation	Result following applying IAS/IFRS for the first time	Result following applying IAS 29 for the second time	TOTAL
31-Dec-14	**67.133.804**	**197.701.352**	**11.360.142**	**105.017.965**	**31.380.855**	**2.218.750**		**5.721.808**	**125.818.032**	**(197.701.352)**	**348.651.356**
Current global result					31.138.739	-					**31.138.739**
Distribution of legal reserve			1.828.865		(1.828.865)						
Distribution of other reserves				13.131.460	(13.131.460)						
Dividends					(15.459.094)						**(15.459.094)**
IFRS Adjustments											
Result following adjustment corrections											-
Increased value of fixed assets					(961.436)		961.436				
31-Dec-15	**67.133.804**	**197.701.352**	**13.189.007**	**118.149.425**	**31.138.739**	**3.782.087**	**961.436**	**19.909.156**	**126.779.469**	**(197.701.352)**	**364.331.001**

Explanatory notes 1 to 28 are an integrating part of the financial statements

1. GENERAL INFORMATION

1.1 Brief company profile

Antibiotice is a joint-stock company based in Iasi, Valea Lupului street no. 1, tax registration code RO 1973096. Antibiotice was founded in 1955 as per Law 15 / 1990 and Government Decision no. 1200/ 12.11.1990 and is traded on the regulated market of the Bucharest Stock Exchange.

Our company’s 8 manufacturing lines, upgraded and certified according to Good Manufacturing Practice (GMP) standards produce medicinal products in 5 dosage forms: powders for injectable solutions and suspensions (penicillins), capsules, tablets, suppositories and topical preparations (ointments, gels, creams). Together they form a comprehensive portfolio of more than 144 drugs for human use, designed to treat a wide range of infectious, dermatological, cardiovascular, digestive tract diseases or diseases related to the musculoskeletal system.

All production capacities are located on the premises of Antibiotice. The company has ownership rights on all assets recorded in the accounting system.

1.2 Corporate Governance structures

Investor Relations
Corporate Governance
Structures underlying the governance system at Antibiotice:

- The Management Board
- the Advisory Boards
- the Executive Management
- the Code of Ethics

The principles and recommendations of the Corporate Governance code of the BSE are a basis of the good corporate governance of the company.
Antibiotice believes that corporate governance represents an important tool in obtaining performance, under conditions of sustainable development, a transparent decision-making process and an equal access of all shareholders to relevant information. The governance system is in compliance with Law 297/2004 republished and provisions of CNVM Law 31/1990 republished with all subsequent changes, the CNVM Regulations no 6/2009, the Income and Expenditure budget and Corporate Governance of the the Income and Expenditure budget and the Articles of Association.
In 2014 we have shown consistency in strategic directions and adequate investment programs. This was obtained by applying the rules of good corporate governance which allowed invovling the entire staff in view of implementing and maintaining high standards.

Management Board

Antibiotice is administered by a Management Board responsible for fulfilling all the tasks necessary to achieve the objective of the company, except as provided by law for the General Meeting of Shareholders. There is a clear division of responsibilities between the Board of Directors and the Executive Management.

The Board seeks to ensure that its own decisions, those of the company's management, the General

Meeting of Shareholders as well as the internal regulations comply with the legal requirements and are properly implemented. The Board is responsible for monitoring the company's management on behalf of shareholders. The duties of the Board are described in the company's Articles of Association and the relevant internal regulations available on the website of the company under the Corporate Governance section.

During 2014, the Management Board gathered in 12 meetings, recording 100% attendance and adopted decisions which allowed to perform their duties in an effective and efficient manner. Thus, on the monthly meetings the Board has discussed in detail the financial results in the reporting period and cumulatively since the beginning of the year, as well as the economic performance relative to the budget and the same period last year. The Council requested, as appropriate, detailed explanations of the executive management in connection with the plans to increase production efficiency, the investment plans, the provisions made, the liquidity management, the operational profitability and of the overall activity. After the detailed analysis of the results for the period, the Council decided the approval thereof for publication and submission to the Bucharest Stock Exchange and the Financial Supervision Authority falling each time in the Financial Communication Calendar.

The 5 members of the Board shall ensure the effectiveness of the ability to monitor, analyze and evaluate the work of directors and the fair treatment of shareholders.

1. economist RADU Valentin, PhD

Chairman of the Board - appointed in the Board at the Ordinary General Meeting of Shareholders on 26 April 2012 for 4 years; elected President by the Board

2. economist Ioan Nani,

Vice Chairman of the Management Board and CEO

- appointed in the Board at the Ordinary General Meeting of Shareholders on 26 April 2012 for 4 years. Elected Vice Chairman of the Board and CEO of the company

3. Dr. Neagoe Adela-Petrinia

Member of the Board

At the OGMS of March 20th 2014, she was appointed on the Management Board for four years.

4. Economist Stoian Nicolae

Member of the Board

At the OGMS on April 26, 2012, he was appointed on the Management Board for four years.

4. Chemist ILIE Gabriela

Member of the Board; reconfirmed in the OGMS on April 26, 2012, for four years.

Advisory committees

The Management Board established the following advisory committees:

- Audit committee
- Nomination and remuneration committee
- Trade policies committee

The advisory committees have conducted investigations, have analyzed and developed recommendations for the Board of Directors in specific areas and submitted periodic reports on their activity.

Antibiotice executive management

Antibiotice is represented by the General Manager, according to powers provided by law and company charter. The Board of Directors retains the duty of representing the company in relationship with the directors whom they have appointed.

The executive management of Antibiotice Iasi is provided by 10 directors out of which one is the CEO who is also Vice President of the Board.

1. Ioan NANI
CEO and Vice Chairman of the Board, appointed in the Board at the Ordinary General Meeting of Shareholders on 26 April 2012 for 4 years; elected Vice Chairman of the Board in 2012 and CEO of the company in 2009
2. Eng. Cornelia MORARU
Technical and Production Director since 2005
3. Ec. Paula Luminița COMAN
Financial Director since 2011
4. Ec. Vasile CHEBAC
Commercial and Logistics Director since 2005
5. Eng. Eugen Florin OSADEȚ
Engineering and Investment Director since 2000
6. Eng. Cristina Lavinia DIMITRIU
Quality Director since 2004
7. Ec. Gica RUSU
Human Resources Director since 2006
8. Ec. Ovidiu BĂȚAGA
Marketing and Domestic Sales and Director since 2011
9. Dr. Mihaela MOŞNEGUȚU
Medical Director since 2011
10. Ec. Mihai STOIAN
International Business Director since 2012

The Code of Ethics

The Code of Ethics of Antibiotice presents the ethical standards of conduct that establish and regulate the corporate values, the business responsibilities and obligations of the organization and how it works.

The Code of Ethics provides rules in key areas relating to employees, human rights, environmental management, social responsibility and corporate governance and contains guidelines that help the company to pursue its values. Our values and ethics are references for corporate culture.

The Code is a set of rules under which the company was developed, rules of ethical behavior in business and how to prevent illegal actions that might arise during the course of affairs within the company. The Code is binding and applies to all structures and activities of the company.The Code of Ethics is a fundamental commitment to endeavor to comply with high ethical standards working to high ethical standards and the applicable legal requirements wherever Antibiotics operates.
The Code of Ethics is presented in detail on the website of the company (www.antibiotice.ro/companie /Cod de etica).

The rights of the holders of financial instruments

The corporate governance framework adopted and partially implemented:

- protects the rights of shareholders;
- ensures the fair treatment of all shareholders;
- acknowledges the role of third parties with interests in the company;
- ensures information and transparency;
- ensures the accountability of the Board to the company and shareholders.

On our company's website at www.antibiotice.ro/investitori/informatii_actionari, there is a section dedicated to shareholders, where one can access and download documents related to the General Meetings of Shareholders: procedures for the access and participation in meetings, the convener, additions to the agenda, informational materials, presentation procures, voting forms by correspondence, resolution drafts, resolutions, voting results etc.

The company provides all those concerned periodic and annual financial statements, prepared in accordance with the law. Also, the company complies with all disclosure requirements under the company law and the capital market. Within the company there is a structure specialized in the relation to existing and potential investors called *Investor Relations*, whose main role is to ensure a good communication with the shareholders of the company. The people appointed to liaise with investors treat with maximum efficiency the requests of shareholders and facilitate the dialogue with the company management. The company designs and develops an appropriate policy to promote effective communication with both investors and shareholders.

The General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is the highest decision-making body of the company, where shareholders participate directly and make decisions. Among other duties, the GMS decide upon the distribution of the profit, elect the Board of Directors, appoint auditors and establish the remuneration of the Board of Directors.

During 2014, the Board convened three Ordinary General Meetings of Shareholders on 20 March, 25 April and 14 August and two Extraordinary General Meetings of Shareholders, on 20 March and 26 June. All documents related to the good conduct of the General Meeting were published in due time and according to the legislation in force.

The Ordinary Shareholders' General Assembly dated 20 March, 2014, approved the modification of the Board of Directors by revoking Mr Gheza-Gheorghe MOLNAR and appointing Mrs. Adela-Petrinia NEAGOE.

At the same time in the OGMS on 25 April the financial results of the company for the year 2013 were approved, based on the Administrators' Report and Financial Auditor's Report, net profit distribution amounting to 31,380,855 RON, setting the gross dividend per share worth 0.02302729 LEI and payment starting with 15.10.2014.

Within the same meeting the folllowing decisions were taken:

• Approval of the discharge of the administrators for the activity carried out in the financial year 2013 on the basis of the submitted reports;

- Approval of the Income and Expense Budget for 2014;
- Approval of the achievement of the objectives and performance criteria for the year 2013 for the members of the Board;
- Approval of the objectives included in the management plan for the members of the Board of Directors for 2014;
- Approving the remuneration of the members of the Board in accordance with the provisions of the Government Emergency Ordinance no. 51/2013, regarding the modification and completion of the Government Emergency Ordinance no. 109/2011 on Corporate Governance of Public Enterprises;
- Transfer procedures concerning the acquisition programs, public works concession and services concession as per the legislation in force. GEO34.2006 amended by GEO 77/2012 amended and completed by Law 193/2003.

The Extraordianry General Meeting of Shareholders approved the extension by 12 months of the validity period of the multicurrency multiproduct loan amounting to 60 million RON borrowed by Antibiotice from the Export Import Bank of Romania-Eximbank and turning it into a multiproduct multicurrency ceiling with the possibility of turning it into accreditives as well as financing current activity

The Ordinary General Meeting of 14 August 2014 approved the financial statements of the company for the first half of 2014 on the basis of the Directors' Report and the Financial Auditor's Report according to article 55 (1), GEO no 109/30.11.2011and the transfer procedures as per the legislation in forice GEO 34/2006 modified by GEO 77/2012, amended and completed by Law 193/2013.

In 2014, the subscribed and paid up capital amounted to 67,133, 804 LEI or 671,338,040 shares with a nominal value of 0.1000 lei

Shareholders’ breakdown on 5 August 2014:

I. Investors

- The Ministry of Health (*) – 53.0173%
- S.I.F. Oltenia (*) - 12.0204%
- Broadhurst Investments Limited – 4.1977%
- S.I.F. Transilvania – 4.0356%
- S.I.F. Banat-Crisana S.A – 2.1104%
- Alico privately managed pension Fund– 1.1516%
- Pension Fund AZT Viitorul Tau/Allianz – 1.3037%
- SGKB Danube tiger Fund (EUR) – 0.8530%
- Privately managed pension Fund ARIPI/GENERALI S.A.F.P.P. – 0.6782%
- A-Invest – 0.6456%
- Other individuals and legal entities – 19.6266%

NOTE: (*) – Significant shareholders as per law 297/28.06.2014, Article 2, paragraph 1

II. Classes of shareholders

- Legal persons – 87.0089%
- Natural persons – 12.9911%

During the year 2014 dividends were paid for the financial years 2011, 2012 and 2013 amounting to 8,778,325 lei, as follows:

(all amounts are expressed in RON, if not mentioned otherwise)

Dividend payment (2011 – 2012 – 2013)

<table>
<tr><th rowspan="4">year</th><th colspan="8">Net dividends</th><th rowspan="4">Date when payment stops</th></tr>
<tr><th rowspan="3">Due</th><th colspan="4">Paid</th><th colspan="2" rowspan="2">Unclaimed at 31.12.2014</th></tr>
<tr><th colspan="3">lei</th><th rowspan="2">% (total paid)</th></tr>
<tr><th>Until 31.12.2013</th><th>01.01÷31.12 2014</th><th>Total</th><th>lei</th><th>%</th></tr>
<tr><td>0</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td></td><td>8</td></tr>
<tr><td>2011</td><td>8.204.647</td><td>7.439.718</td><td>35.485</td><td>7.475.203</td><td>91</td><td>729.444</td><td>9</td><td>Payment in progress</td></tr>
<tr><td>2012</td><td>9.834.108</td><td>8.701.030</td><td>254.616</td><td>8.055.646</td><td>91</td><td>878.462</td><td>9</td><td>Payment in progress</td></tr>
<tr><td>2013</td><td>14.753.415</td><td>-</td><td>13.317.412</td><td>1.436.003</td><td>90</td><td>1.436.003</td><td>10</td><td>Payment in progress</td></tr>
</table>

For these years, the dividends are distributed directly, from the company's headquarters, by bank transfer and postal order.

Antibiotice on the securities market

The securities issued by Antibiotice are listed on the PREMIUM category on the Bucharest Stock Exchange under the symbol ATB since 1997.

The first transaction was registered on April 16, 1997 at a reference price of 0.3500 lei/share. The historical maximum was reached on July 10, 2007, at the price of 2.1700 lei/share, and the historic minimum of 0.0650 lei/share was recorded on June 8, 2000.

Both the business plans and the financial results of the company represented a solid guarantee that the company has consolidated its position on the drugs national market. At the end of 2014 Antibiotice shares reported a growth of 4.8%.

Antibiotice shares (ATB), traded on the Bucharest Stock Exchange:

- Are included in the BET-XT index reflecting the evolution of prices of the 25 most liquid Romanian companies
- Are included in the BET-Plus index, which includes Romanian companies listed on the BSE market that meet the minimum selection criteria excluding the financial investment companies.
- Are included in the BET-BK index, the index which reflects the evolution of prices of shares issued by domestic and foreign companies admitted to trading on the regulated market administered by BSE.

This reflects the fact that Antibiotice is a stable company, developed on a durable economic foundation. In 2014, the minimum price per ATB action value was worth 0.5400 lei. The share price rose to a peak of 0.6170 lei / share.
The market capitalization of Antibiotice on December 30, 2014 (the last trading day of the year) was 390.719 thousand lei.

ANTIBIOTICE S.A
NOTES TO FINANCIAL STATEMENTS
for 31 December 2014

Antibiotice shares– ATB / Regular Market

	2012	2013	2014
Number of shares	568.007.100	671.338.040	671.338.040
Market capitalization (thousand lei)*	213.798	374.607	390.719
Market capitalization (thousand euros)*	48.276	83.919	87.173
Market capitalization (thousand $)*	63.678	115.413	105.978
Total value traded (million lei)	10	23	16
No. of traded shares	24.002.033	48.439.486	27.467.454
Opening price (lei/share)	0,3974	0,3774	0,5520
Maximum price (lei/share)	0,4400	0,5680	0,6170
Minimum price (lei/share)	0,3300	0,3700	0,5410
Price at the end of the year (lei/share)	0,3764	0,5580	0,5850
Average price (lei/share)	0,43985	0,4692	0,5845
Earnings/share (lei/share)***	0,0477	0,0467	0,0464
Gross dividend/share (lei/share)**	0,0182	0,0230	0.0235
Dividend yield****	4.83%	4.12%	4.03%
Dividend distribution rate*****	38%	49%	51%

* Calculated based on pe baza pretului actiunii in ultima zi de tranzactionare din anul respectiv,
** Proposed dividend,
*** The calculation of earnings per share is based on the net profits of each year
**** Dividend per share / share price on the first trading day of each year
***** The dividend distribution rate = (number of shares x gross dividend per share) / total net profit.

During 2014, 2.467.454 shares were traded, worth 16 million lei (3.6 million euros, 4.3 million USD), with an average price of 0.585 lei / share.

2. ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively named "IFRS") issued by the International Accounting Standards Board (IASB) as adopted by the EU. This set of financial statements represents the company's first IFRS financial statements issued for publication.

Separate financial statements have been approved by the Management Board in the meeting on 20.03.2014.
The Company's accounting records are expressed in RON in accordance with Romanian Accounting Regulations. These accounts have been restated to reflect the differences between the accounts according to Romanian accounting regulations and those under IFRS. Correspondingly, according to

RCR accounts were adjusted, where necessary, to harmonize the separate financial statements in all material respects with the IFRS as adopted by the European Union.
The most significant changes to the financial statements prepared in accordance with RCR to align to the IFRS requirements adopted by the European Union are:
Adjustments of share capital in 2012 in accordance with IAS 29 - "Financial reporting in hyperinflationary economies", Romanian economy being hyperinflationary until 31 December 2003.
According to International Financial Reporting Standards 1 "First-time Adoption of International Financial Reporting Standards", Antibiotice chose to evaluate its fixed assets, plant and equipment at the date of transition to IFRS at their fair value and use this fair value as deemed cost at that date.
Accounts adjustments for recognizing assets and liabilities regarding the deferred income tax in accordance with IAS 12 "Income Taxes". SC Antibiotice SA calculated and recorded in its accounting records a provision for "other taxes and charges". Grouping items into categories according to disclosure requirements under IFRS;

The principal accounting policies applied in preparing the financial statements are set out below.
Policies have been applied consistently to all years presented, unless otherwise noted.
Preparation of financial statements in accordance with IFRS as adopted require the use of certain critical accounting estimates. It is also necessary, for the company's management to take decisions related to the application of accounting policies. Areas where decisions were taken and significant estimates were made in preparing the financial statements and their effect are shown in the following:

2.2 Bases of assessment

Separate financial statements are prepared using the historical cost convention, amortized except for property and equipment at cost revalued, by using fair value as deemed cost and the items presented at fair value, i.e. financial assets and liabilities at fair value through profit and loss, and financial assets available for sale, except those for which fair value cannot be determined reliably.

2.3 Functional currency

The company's management considers that the functional currency, as defined by IAS 21 "Effects of exchange rate variation" is the Romanian leu (RON). Separate financial statements are presented in LEI. Transactions made by the company in a currency other than the functional currency are recorded at the rates in force at the time the transactions occur. Monetary assets and liabilities in foreign currencies are exchanged at rates in effect at the reporting date.

2.4 Critical evaluations and estimations

As a result of the uncertainties inherent in business activities, many items in financial statements cannot be measured with precision but can only be estimated. Estimation involves judgments based on the latest available reliable information.
The use of reasonable estimates is an essential part of the financial statements and does not undermine their reliability.
An estimate may need revision if changes occur regarding the circumstances on which the estimate was based or as a result of new information or subsequent experiences. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error in the current period. If any, effect on future periods is recognized as income or expense in those future periods
The company performs certain estimates and assumptions about the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including forecasting future

events that are believed to be reasonable under the circumstances. In the future, concrete experience may differ from these estimates and assumptions. The following are examples of assessment, estimation, assumptions applied in our company:

(a) *Evaluation of investments in land and buildings owned*
The company obtained evaluations conducted by external evaluators to determine the fair value of its investment property and buildings owned. These assessments are based on assumptions which include future rental income, maintenance costs, anticipated future costs of development and the appropriate discount rate. Evaluators refer to market information related to property transactions with similar prices.

(b) *Impairment of receivables*
Assessment for impairment of receivables is performed individually and is based on the management's best estimate of the present value of cash flows that are expected to be received. To estimate these flows, management makes certain estimates on the financial situation of the partners. Each impaired asset is analyzed individually. Precision in adjustments depends on estimates of future cash flows.

(c) *Legal proceedings*
The company reviews its backlog of unsettled legal cases following developments in legal proceedings and the existing situation at each reporting date, to assess the provisions and disclosures in its financial statements. Among the factors considered in decisions related to provisions we mention: the nature of litigation or claims and the potential of damage in the jurisdiction which settles the dispute, the progress of the case (including progress after the date of financial statements but before those statements are issued), opinions of legal advisors, experience in similar cases and any decision by the Company's management related to how you respond to the dispute, claim or assessment.

(d) *Estimates of expenditure accounting*

There are situations in which goals until the closing of tax period or up to the closing date of a financial year do not know the exact values of certain expenses incurred by the company (eg, marketing campaigns, sales promotion and incentive product sales). For this category of spending will make preliminary expenses, which will be corrected in future periods when it will produce and output of cash flows. Estimates of expenditure for each category of expense will be made by someone with experience in the type of activity that generated the expense.

(e) *Taxation*
The taxation system in Romania is in a phase of consolidation and harmonization with European legislation. However, there are still different interpretations of tax legislation. In some cases, the tax authorities may have different approaches to certain issues, the calculation of additional taxes and penalties for late payment. In Romania, fiscal years remain open for tax f verification for 5/7 years. The company's management believes that tax liabilities included in the financial statements are appropriate.

2.5. Presentation of separate Financial Statements

The company has adopted a presentation based on liquidity in the statement of financial position and a statement of income and expenses according to their nature, in the statement of comprehensive income, considering that these methods of presentation provide information that is reliable and more relevant than those that would have presented other methods permitted under IAS 1 "Presentation of financial statements".

2.6 Intangible assets purchased

Evidence of intangible assets is done inaccordance with IAS 38 "Intangible assets" and IAS 36 "Impairment of Assets". Externally acquired intangible assets are initially recognized at cost and subsequently amortized linearly over their useful economic usage/usability. Expenses related to the acquisition of patents, copyrights, licenses, trademarks, or plant and other intangible assets recognized in accounting terms, except set-up expenses, goodwill, intangible assets with an indefinite shelf-life framed according to accounting regulations, is recovered through depreciation deductions linear over the contract period or duration of use, respectively. Expenses related to the purchase or production software is recovered through linear depreciation deductions over a period of 3 years.

Intangible assets generated by the company (development costs)

Costs of research (or from the research phase of an internal project) are recognized as expenses of the fiscal year to which it relates.
Development costs related to projects for new products are recognized as intangible assets. They consist of: consumption of raw materials, labor costs related to hours worked for each project, other fees associated with the NAMMD as amounts necessary for authorization.

Tangible assets
Tangible assets are tangible items that:
a) are held for use in the production or supply of goods or services, for rental to other parties or for administrative purposes; and
b) are expected to be used over several financial years.

Recognition:
The cost of an item of property and equipment should be recognized as an asset if and only if: it generates future economic benefits associated with the asset; the cost of the asset can be measured reliably.

Evaluation post-recognition
After recognition as an asset, an item of property and equipment is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

After recognition as an asset, an item of tangible assets whose fair value can be measured reliably is carried at a revalued amount, being its fair value at the date of the revaluation. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period.

The fair value of land and buildings is generally determined based on the evidence from the market through an evaluation normally performed by professionally qualified evaluators. The fair value of tangible assets is generally their value following evaluation.

When an item of tangible Category I is revalued, any accumulated depreciation at the date of revaluation is eliminated from the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

If an item of property and equipment is revalued, the entire class of tangible assets which that asset belongs to is revalued.

If the carrying value of intangible assets is increased as a result of revaluation, the increase is recognized in other elements of comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If the carrying amount of an asset is impaired as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in the other comprehensive income to the extent that the revaluation surplus shows a credit balance for the asset. The reduction recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The revaluation surplus included in equity in respect to an item of property and equipment is transferred directly to retained earnings when the asset is derecognised. Transfers from revaluation surplus to retained earnings is not made through profit or loss.

If this is the case, the effects of taxes on income from the revaluation of tangible assets are recognized and presented in accordance with IAS 12 Income Taxes.

Amortization

The depreciable amount of an asset is allocated on a systematic basis over its useful life. Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to function in the manner intended by management.

The depreciation method used reflects the expected pattern of consumption of future economic benefits of the asset by the entity.The land owned property is not amortized.

For the depreciable fixed assets used, the company utilizes, in accounting terms, the straight line method of depreciation. The depreciable periods are determined by an internal specialty committee according to the internal procedures of the Company. Below there is a brief presentation of the lifetimes of fixed the fixed assets on major categories of goods:

Category	**Lifetime**
Buildings and constructions	24-40 years
Equipments and installations	7-24 years
Means of transport	4-6 years
Computing	2-15 years
Furniture and office equipment	3-15 years

Depreciation

To determine whether a tangible item is impaired, an entity applies IAS 36 the Depreciation of Assets. At the end of each reporting period, the entity estimates if there are indications of asset depreciation. If such evidence is identified, the entity estimates the recoverable amount of the asset.
If and only if the recoverable amount of an asset is lower than its book value, the book value of the asset will be reduced to be equal to the recoverable amount. Such a reduction represents a depreciation loss. A depreciation loss is recognized immediately in profit or the loss for the period, except for the situations where the asset is reported to the revalued amount, in accordance with another Standard (for example, in accordance with the revaluation model in IAS 16 Tangible assets). Any depreciation loss concerning a revalued asset is considered to be an overall decrease in revaluation.

2.7 Financial assets - IAS 39 Financial instruments: recognition and assessment

The initial assessment of the financial assets and financial liabilities

When a financial asset or financial liability is recognized (a) initially, an entity assesses it at its fair value plus, in the case of a financial asset or a financial liability which is not at the fair value through profit or loss, the transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability.

The subsequent assessment of financial assets

In terms of assessing a financial asset after initial recognition, the company classifies its financial assets in the following categories:

A financial asset or a financial debt evaluated at the fair value by profit or loss is a financial asset which fulfills the following conditions:

(a) is classified as held in view of transactions. Is acquired or maintained mainly to be sold or rebought at the closest deadline;
(b) initial recognition is part of portfolio of financial instuments managed together for which there is a recent real pattern of tracking short-term profit;
(c) a derivative (except an instrument which is a financial guarantee contract or an effective instrument to cover againt risks)

Loans and payables are financial assets non-derivatives with fixed or determinable payments which are not quoted on an active market, other than:

a) those that the entity intends to sell immediately or soon, that need to be classified as held for trading and those that the entity at initial recognition designates at fair value through profit or loss;

b) those that the entity at initial recognition, designates as available for sale; or

c) those for which the holder may not recover substantially all of the initial investment of another cause than the credit deterioration, which must be classified as available for sale.
This category includes trade receivables and other receivables.

The financial assets available for sale are those financial non-derivatives that are designated as available for sale or which are not classified as loans and receivables or investments held to maturity or financial assets at fair value through profit or loss.
This category includes investments in listed shares.

The company has no investments held to maturity and does not own or has not classified financial assets or financial liabilities at fair value through profit or loss.

Gains and losses

A gain or loss of a financial asset available for sale is recognized in other comprehensive income, except for the losses. The dividends for an equity instrument available for sale are recognized in profit or loss when the entity's right to receive payment is established.

When a decline in fair value of a financial asset available for sale was recognized in other comprehensive income elements and there is objective evidence that the asset is depreciated, the cumulative loss that has been recognized in other comprehensive income elements must be reclassified from equity in profit or loss as a reclassification adjustment even though the financial asset has not been derecognized.

The amount of the cumulative loss is removed from equity and recognized in profit or loss shall be the difference between the acquisition cost (net of any payment of the principal and amortization) and the current fair value, less any depreciation loss on that financial asset previously recognized in profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be related objectively to an event occurring after the depreciation loss was recognized in profit or loss, the depreciation loss is resumed and the amount recognized in profit or loss.

Cash and cash equivalents

The cash and cash equivalents includes the cash account, deposits held at call with banks, other short-term highly liquid investments with original maturity dates of three months or less than three months and – for the purpose of cash flow statements - overdrafts.

2.8. Stocks

According to IAS 2, the stocks are active:

a) held for sale in the ordinary course of business;
b) Under production for such sale; or
c) As raw materials, materials and other supplies to be used in the manufacturing or services.

The stock assessment:
The stocks are assessed at the lowest value between the cost and the net achievable value.
The cost of the stocks

The cost of stocks includes all the purchase costs, conversion costs as well as other costs incurred in bringing the inventories to the state and location where they are now.
The stocks of raw materials and materials are stated at the cost of acquisition. The exit from inventory is performed using the Weighted Average Price method.

The stocks of the products in progress are stated at the raw materials cost and materials embedded in them.The stock of finished goods is recorded at production cost on the completion of the manufacture.

Adjustments for the depreciation of stocks

The assessment for the depreciation of stocks is performed individually and is based on management's best estimate of the present value of cash flows that are expected to be received. To estimate these flows, the management makes certain estimates on the utility value of the stock, taking into account the expiration date, the possibility of use in the current activity of the company and other specific factors to each category of stock. Each impaired asset is analyzed individually. The precision of the adjustments depends on the estimate future cash flows.

2.9 Receivables

The receivables arise primarily through the provision of goods and services to customers (eg. trade receivables), but also incorporate other types of contractual monetary assets. They are recognized initially at the fair value plus the transaction costs that are directly attributable to the acquisition or their release and are subsequently recorded at amortized cost by using the effective interest rate method, minus the adjustments for depreciation.

The receivables are presented in the balance sheet at the historical value minus the adjustments made for the depreciation in cases in which one noticed that the achievable value is lower than the historical value.
The adjustments for the depreciation are recognized when there is objective evidence (such as significant financial difficulties from partners or the non-fulfillment of payment obligations or the significant delay of the payment) that the Company will not collect all the amounts due according to the terms of receivables, the amount of that adjustment is the difference between the net book value and the present value of expected future cash flows associated with the impaired receivable.
The assessment for the depreciation of receivables is performed individually and is based on the management's best estimate of the present value of the cash flows that are expected to be received. To estimate these flows, the management makes certain estimates on the financial situation of the partners. Each impaired asset is individually analyzed**.**

2.10 Financial liabilities

The financial liabilities mainly include the trade payables and other short-term financial liabilities, which are recognized initially at their fair value and subsequently at amortized cost using the effective interest method.

2.11 The recognition of income and expenses

2.11.1. The recognition of income

The revenue represents, according to IAS 18 "Revenues", the gross inflows of economic benefits during the period, arising in the course of the normal activities of an entity when those entries result in increases in equity, other than the increases relating to the contributions of participants to their own equities.
The revenue represents the recorded increases in economic benefits recorded during the accounting period in the form of inputs or increases in assets or debt relief, which materializes in increases in equity other than those resulting from the contributions of shareholders.
The fair value is the value for which an asset could be exchanged or a liability could be settled, between knowledgeable willing parties, within a transaction carried out in objective conditions.

The income assessment
The revenue is measured at the fair value of the counterperformance received or receivable after reducing rebates or discounts.
The revenue from the sale of goods is recognized when all the following conditions were met:

(a) The entity has transferred to the buyer the significant risks and benefits of ownership of the goods;
(b) The entity no longer manages the goods sold at levels that would normally have done in the case of the ownership of their property and no longer has effective control over them;
(c) The amount of revenue can be measured reliably;
(d) It is probable that the economic benefits associated with the transaction to be generated by the entity; and
(e) The costs incurred or to be incurred in respect of the transaction can be assessed reliably.

The revenue from the sale of goods is recognized when the Company has transferred the significant risks and benefits of ownership to the buyer and it is likely that the Company receives the things previously agreed upon payment. The transfer of risks and benefits of ownership is deemed realized once the transfer of legal title of ownership or the passing of possession to the buyer. If the entity retains significant risks of ownership, the transaction does not represent a sale and revenue are not recognized.

In accordance with the Framework contract on the conditions for granting medical assistance within the health social insurance system for the years 2011-2013 dated 28.12.2010 the payment term for the drugs sold in the offset system is 210 days.
The company uses the term shown above as reference for the collection terms in contracts with the distributors.

The company believes that the cashing deadlines do not generate a financial component of the revenues invoiced to the distributors.

Special cases: In case it is found that the revenues associated with a period of the current year are encumbered by fundamental errors, their correction will be performed during the period which the error is discovered. If the error is discovered in the years ahead, its correction will not affect the income accounts, but the result account of retained earnings from the corrections of fundamental errors if the error value will be considered significant.

2.11.2 The recognition of expenses

The expenses are decreases in the economic benefits during the accounting period as outflows or decreases in the value of assets or increases in debt, which is materialized through reductions in equity other than those arising from their distribution to shareholders.

2.12 The depreciation of the non-financial assets (excluding stocks, real estate investments and the deferred tax assets) - IAS 36 "Depreciation of Assets"

The assets held by the company, as stated in IAS 36 "Depreciation of assets", are subject to depreciation tests whenever events or changes in circumstances indicate that their book value may not be recovered completely. When the book value of an asset exceeds the recoverable amount (ie the highest amount of value in use and the fair value minus the sell costs), the asset is adjusted accordingly.
Whenever it is not possible to estimate the recoverable amount of an individual asset, the depreciation test is performed on the smallest group of assets to which it belongs and for which there are separately identifiable cash flows; its cash-generating units ('UGNs').
The depreciation charges are included in profit or loss unless it reduces gains previously recognized in other comprehensive income.

2.13 Provisions – IAS37 "Provisions, contingent liabilities and contingent assets"

The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, changed to a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

Under IAS 37 "Provisions, contingent liabilities and contingent assets", a provision must be recognized if:
a) The Company has a present obligation (legal or constructive) as a result of a past event;
b) it is likely that in order to settle the obligation an outflow of resources embodying economic benefits to be required; and
c) a reliable estimate of the amount of the obligation can be made.

If these conditions are not met, a provision must not be recognized.
Provisions are recorded in the accounting using the accountancy with the help of the groups 15 "Provisions" and are based upon the expenses, except those related to decommissioning of tangible assets and other similar actions related thereto, for which the provisions of IFRIC 1 will be taken into account.
The recognition, assessment and updating of provisions are made in compliance with IAS 37 "Provisions, contingent liabilities and contingent assets".

The provisions are grouped in accountancy in categories and are considered for:
a) litigation;
b) guarantees to customers;
c) decommissioning of tangible assets and other similar actions related thereto;
d) restructuring;
e) employee benefits;
f) other provisions.
The previously established provisions are periodically analyzed and are regulated.

2.14 Benefits of employees –IAS 19 Benefits of employees

The current benefits granted to employees

The short-term benefits granted to employees include wages, salaries and social security contributions. These benefits are recognized as expenses with services.

Benefits after termination of the employment contract

Both the company and its employees have a legal obligation to contribute to the social security established with the National Pension Fund administered by the National House of Pensions (contribution plan founded on the principle of "pay on the way").

Therefore the Company has no other legal or constructive obligation to pay further contributions. Its only obligation is to pay the contributions when they are due. If the Company ceases to employ people who are contributors to the financing plan of the National House of Pensions, the Company will have no obligation to pay the benefits earned by its own employees in previous years. The Company's contributions to the contributions plan are reported as expense in the year to which they relate.

Pensions and other further retirement benefits

The Company has stipulated in the Collective labor agreement at company level a wage benefit for the employees who retire due to disability. They receive an allowance equal to six average gross salaries at company level starting the month prior to the retirement. The Company must take a portion of the cost of benefits in favor of the employee during the term of employment of the employee in the company.

2.15 The deferred tax - IAS 12

In the deferred tax calculation, the Company will take into account the provisions of IAS 12.
The deferred tax assets and liabilities are recognized when the book value of an asset or liability in the statement of the financial position differs from the tax base.
The recognition of deferred income tax assets is limited to those moments in which the taxable profit is likely to be available for the next period.

The amount of the asset or liability is determined using tax rates that have been enacted or adopted largely up to the reporting date and are expected to apply when the liabilities / (assets) concerning the deferred tax are settled / (recovered).
The Company compensates for receivables and liabilities concerning the deferred tax if and only if:
a) It has the legal right to offset the current tax receivables with the current tax liabilities; and
b) The deferred tax receivables and liabilities relate to the income taxes charged by the same fiscal authority.

2.16 Dividends

The share of profits that is to be paid according to the law, to each shareholder is a dividend. The dividends distributed to shareholders, proposed or declared after the reporting period, as well as the other similar distributions made from the profit determined under the IFRS and included in the annual financial statements are not recognized as a liability at the end of the reporting period. To the accounting for dividends the provisions of IAS 10 are taken into consideration.

2.17 Capital and reserves

The capital and reserves (equity) represents the right of shareholders over the assets of an entity after deducting all liabilities. The equity includes: the capital contributions, the reserves, the retained earnings and the result of the financial year.
The entity was established under Law no. 31/1990 on companies.
In the first set of financial statements prepared in accordance with IFRS, the Company has applied IAS 29 - "Financial reporting in hyperinflationary economies" for the shareholders gains obtained before January 1, 2004, ie, they were properly adjusted with the inflation index.

2.18 Financing costs

An entity shall capitalize the borrowing costs that are directly attributable to the acquisition, the construction or production of a qualifying asset as part of the production cost of that asset. An entity shall recognize other borrowing costs as an expense in the period during which the entity incurrs them. The Company has not financed the construction of long-term assets from loans.

2.19 The result per share

The Company shows the earnings per share basic and diluted for the common shares. The basic earning per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company to the weighted average number of ordinary shares over the reporting period. The diluted earning per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with dilution effects arising from potential ordinary shares.

2.20 The segment reporting

A segment is a distinct component of the Company that provides products or services (business segment) or provides products and services in a particular geographical environment (geographical segment) and which is subject to risks and rewards that are different from those of other segments. In terms of business segments, the Company does not identify separate components in terms of associated risks and benefits.

2.21 The related parties

A person or a close family member of that person is considered to be affiliated with the Company if that person:
(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of key management staff.
The key management staff are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that entity. The transactions with key staff include salary benefits granted to them exclusively as presented in Note 6. Staff costs.

An entity is affiliated with the Company if it meets any of the following conditions:
(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and branch of the same group is linked to the other).
(ii) An entity is an associated entity or joint venture of the other entity (or associate or joint venture of a member of the group other entity is a part of).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third party, and the other is an associate of the third party entity.
(v) The entity is a post-employment benefit plan in the benefit of the employees of the reporting entity or an entity affiliated to the reporting entity. In the event the reporting entity is itself such a plan, the sposoring employers are also affiliates of the reporting entity.
(vi) The entity is controlled or jointly controlled by an affiliated person.
(vii) An affiliated person having control significantly influences the entity or is a member of the key management staff of the entity (or the parent of the entity).The company does not undertake transactions with the entity described in the above (i) - (vii).

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Foreign exchange risk
- Liquidity risk

Like all other activities, the company is exposed to risks arising from the use of financial instruments. This note describes the objectives, policies and processes of the Company for the management of those risks and the methods used to assess them. Further quantitative information about these risks is presented in these financial statements.
There were no major changes in the Company's exposure to risks relating to financial instruments, its objectives, policies and processes for the management of these risks or the methods used to assess them in comparison to prior periods except where otherwise stated in this note.

The main financial instruments

(all amounts are expressed in RON, if not mentioned otherwise)

The main financial instruments used by the Company, of which there is a risk concerning the financial instruments are as follows:

- Trade receivables and other receivables
- Cash and cash equivalents
- Investments in equity securities listed
- Trade liabilities and other liabilities

A breakdown of financial instruments by category is provided below:

	Loans and payables	
ASSETS	**31-Dec-14**	**31-Dec-13**
Trade and related receivables	232.062.022	254.001.617
Cash and cash equivalents	17.806.234	10.487.736
Total	**249.868.256**	**264.489.353**

	Available for sale	
ASSETS	**31-Dec-14**	**31-Dec-13**
Investments in equity securities listed	140	140
Total	140	140

	Per amortized cost	
LIABILITIES	**31-Dec-14**	**31-Dec-13**
Trade and related liabilities	46.916.170	53.366.639
Short-term loans	54.783.341	72.139.195
Liabilities from current taxes	12.436.407	8.196.629
Short-term provisions	5.021.334	3.753.883
Total	**119.157.252**	**137.456.346**

The overall objective of the Board is to establish policies that seek to reduce the risk as much as possible without unduly affecting the competitiveness and flexibility of the company.
Further details on these policies are set out below:

The credit risk

The credit risk is the risk of financial loss for the Company, which occurs if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is primarily exposed to credit risk which cames from sales to customers.

At the level of the Company there is a Trade Policy approved by the Board of Directors of SC Antibiotice SA. In it the commercial conditions of sale are clearly presented and there are conditions imposed in the selection of clients.

Antibiotice SA only works with large distributors in the national pharmaceutical market. In the case of the export sales, in all situations where possible, advance payment sales are contracted.

(all amounts are expressed in RON, if not mentioned otherwise)

The calculation and analysis of the net situation (equity)

Indicators (RON)	31-Dec-14	31-Dec-13
Credits and loans	57.83.341	72.139.195
Cash and cash equivalents	(17.806.234)	(10.487.736
Net debt	**36.977.107**	**61.651.459**
Total equity	**364.331.001**	**348.651.356**
Net debt in equity (%)	**10.15%**	**17.7%**

The Foreign Exchange Risk

The Company is mainly exposed to the currency risk on the purchases made from the suppliers of raw materials, packaging and other materials from abroad. The suppliers from which the Company purchases these items necessary for the production of drugs must have quality documents stipulated in the EU rules for drug registration. The Company can not thus greatly limit the purchases from third party countries. The tracking of payment deadlines and ensuring the available funds for payment, so that the effect of foreign exchange risk is minimized fall in the responsibility of the Financial Accounting Department.

La 31 decembrie 2014 the net exposure by types of currency of the company to the foreign currency risk was as follows:

	For the year ending on	
Assets/liabilities in EURO equivalent in LEI	**31-Dec-14**	**31-Dec-13**
Monetary financial assets	2.081.923	6.966.527
Monetary financial liabilities	(9.646.464)	(12.137.275)
Net financial assets	(7.564.541)	(5.170.748)

Variation RON/EUR	Earning/ Loss	
RON rise against the EUR by 5%	(378.227)	(258.537)
RON decrease against the EUR by 5%	378.227	258.537
Impact on result	-	-

	31-Dec-14	**31-Dec-13**
Assets and liabilities in EURO		
Monetary financial assets	464.497	1.533.399
Monetary financial liabilities	(2.150.972)	(2.706.374)
Net financial assets	**(1.686.475)**	**(1.152.975)**

Assets/liabilities in USD equivalent in LEI	**31-Dec-14**	**31-Dec-13**
Monetary financial assets	15.201.251	24.230.308
Monetary financial liabilities	(9.326.264)	(10.088.992)
Net financial assets	**5.874.987**	**14.141.315**

(all amounts are expressed in RON, if not mentioned otherwise)

RON/USD variation		
RON rise against the USD by 5%	293.749	707.066
RON decrease against the USD by 5%	(293.749)	(707.066)
Impact on result		

Assets and liabilities in USD	31-Dec-14	31-Dec-13
Monetary financial assets	4.123.156	7.443.798
Monetary financial liabilities	(2.529.637)	(3.099.442)
Net financial assets	**(1.593.519)**	**(4.334.357)**

The company's net exposure to the foreign exchange risk, equivalent in RON, is shown in the table below:

Assets / Liabilities	31-Dec-14	31-Dec-13
LEI	186.828.710	190.349.487
EUR	(7.564.541)	(5.170.748)
USD	5.847.987	14.141.315
Other currencies (CAD,GBP)	(791)	(673)
Net exposure	**185.138.365**	**199.319.384**

Given the relatively low exposure to the currency fluctuations, it is not expected that reasonable fluctuations in exchange rates produce significant effects in the future financial statements.

The liquidity risk

The liquidity risk arises from the management of the Company of the working capital, the financing costs and the repayments of principal sum for its cutting tools.

The Company policy is to ensure that it will always have enough cash to allow it to meet its obligations when they become due. To achieve this objective, the Company seeks to maintain cash balances (or facilities agreed upon) to satisfy the payment needs.

The Board receives cash flow forecasts regularly as well as information on the company's available cash. At the end of the financial year, the Company has sufficient cash resources to meet its obligations in all reasonably expected circumstances.

The following tables show the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

The following tables show the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

31 December 2014	up to 3 months	between 3-12 monhts	Total
Commercial and similar debt	13.719.964	45.632.613	59.352.577
Credits and loans		54.783.341	54.783.341
Total	**13.719.964**	**100.415.954**	**114.006.060**

(all amounts are expressed in RON, if not mentioned otherwise)

31 December 2013	up to 3 months	between 3 -12 monhts	Total
Commercial and similar debt	9.177.024	52.386.244	61563.268
Credits and loans		72.139.195	72.139.195
Total	**9.**177.024	**124.525.439**	**133.702.463**

The operational risk

The operational risk is the risk of direct or indirect loss arising from a wide range of causes associated to processes, staff, technology and infrastructure of the Company as weel as from external factors other than the credit, market and liquidity risk, such as those originating in the legal and regulatory requirements and the generally accepted standards of behavior concerning the organizational behavior. The operational risks come from all the Company's operations.

The main responsibility of the development of the operational risk controls rests on the unit's management. The responsibility is supported by the Company's development of general standards of operational risk management in the following areas:

- Requirements for the separation of duties, including the independent authorization of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and legal requirements
- Documentation of controls and procedures
- Requirements for periodic review of operational risk that the Company faces and the adequacy of controls and procedures to address the identified risks
- Requirements for reporting the operational losses and remedial proposals of the causes that generated them
- Development of business continuity plans
- Professional development and training
- Establishment of standards of ethics
- Prevention of the risk of litigation, including insurance, where applicable
- Mitigation of risks, including the efficient use of insurance, where applicable

Capital adequacy

The management's policy regarding the capital adequacy is focused on maintaining a sound capital base, in order to support the ongoing development of the Company and reaching the investment objectives.

4. SALES REVENUES

The revenues from sales include the following elements:

	Year ending on	
Description	**31-Dec-14**	**31-Dec-13**
Finished product sales	312.499.471	298.026.216
Sales of goods	67.408.992	64.373.453

(all amounts are expressed in RON, if not mentioned otherwise)

Trade discounts	(60.963.371)	(44.966.729)
Total	**318.945.093**	**317.432.940**

Sales revenues are mainly made from sales of finished products directly to pharmaceutical distributors. Intra and extra-community sales in 2016 amounted to 103,415,958 lei (91,519,344 lei in 2015).
The company earns sales in individual values greater than 10% of total sales with a total of 5 clients

5. RAW MATERIALS, CONSUMABLES AND GOODS

Expenses with raw materials and consumables have the following structure:

	Year ending on	
Description	**31-Dec-14**	**31-Dec-13**
Raw materials	56.135.819	57.117.783
Auxiliary materials	4.428.129	4.726.306
Goods	42.296.946	40.658.603
Expenditure on fuel and spare parts	4.451.884	4.100.116
Inventory items	590.421	429.939
Other consumables	270.990	314.124
Total	**108.174.189**	**107.346.872**

6. STAFF RELATED EXPENSES

	Year ending on	
Description	**31-Dec-14**	**31-Dec-13**
Salaries	51.453.840	50.336.119
Civil contracts	364.446	465.042
Taxes and social contributions	15.176.336	15.521.778
Other benefits (lunch vouchers and participation to profit)	4.444.600	4.491.439
Total	**71.439.222**	**70.814.378**

The company is managed in a unitary system, as per Law 31/1990 on commercial companies, the management of the company being ensured by the Board of SC Antibiotice SA. The structure of the Board and the Executive Management are presented in Note 1. General Information.
The remuneration granted to the Board and Executive Management is presented in the following table:

	Year ending on	
Description	**31-Dec-14**	**31-Dec-13**
Salaries	2.295.118	2.183.817
Civil contracts	364.446	465.042

(all amounts are expressed in RON, if not mentioned otherwise)

Taxes and social contributions	619.265	733.270
Variable indemnities	-	558
Total	**3.278.829**	**3.382.687**

7. OTHER OPERATING EXPENSES

Description	**Year ending on** **31-Dec-14**	**31-Dec-13**
Utilities	9.262.780	9.187.388
Repairs	2.038.820	4.149.947
Rent	135.489	141.528
Insurance	1.335.027	1.380.162
Banking fees	1.314.930	1.320.994
Advertising and promotional products	3.270.357	3.212.435
Travel and transport	3.863.649	3.545.858
Postal services and telecommunications	523.878	537.533
Other services provided by third parties	29.027.474	40.740.834
Other taxes	26.856.901	16.410.017
Environment protection	491.138	761.397
Expenses on transfer of assets	15.953	-
Losses and adjustments of doubtful debts	9.216.847	137.354
Other provisions	5.023.420	3.753.883
Exchange rate differences	5.484.841	12.694.655
Miscellaneous	1.584.680	1.745. 632
Total	**99.446.184**	**99.719.617**

8. NET FINANCIAL REVENUE

Net financial revenues:

Description	**Year ending on** **31-Dec-14**	**31-Dec-13**
Income from participations	-	-
Income from interest	11.579	46.921
Expenses with interest	(2.129.185)	(2.798.810)
Other finacial revenue	784	732
Other financial expenses	(10.797.577)	(13.943.020)
Total	**(12.914.398)**	**(16.694.804)**

9. INCOME TAX EXPENSES

Description	**Year ending on** **31-Dec-14**	**31-Dec-13**
Current taxes	7.036.003	5.196.441
Deffered tax / (income)	(811.610)	(1.886.376)
Total	**6.224.393**	**3.310.065**

(all amounts are expressed in RON, if not mentioned otherwise)

The income tax payment was calculated considering the influence of the non-deductible expenses or the non-taxable income, the tax incentives and the provision effects for the income tax.
The company hasn’t had a tax control for over 5 years.Taking into account the frequent changes of the legislation a control miht lead to differences between amounts reported in the financial statements nd the conclusions of tax authorities.
A reconciliation between the accounting profit and the taxation profit that led to the calculation of the income taxes is shown in the table below:

	Year ending on	
Description	**31-Dec-14**	**31-Dec-13**
Total income	347.646.218	352.081.257
Total expenses (excluding tax)	(309.471.476)	(315.503.961)
The gross accounting result	**38.174.742**	**36.577.296**
Deductions	(10.428.317)	(12.524.459)
Non-deductible expenses	23.330.975	14339.140
Tax result	51.077.400	38.451.977
Corporate tax (tax result x 16%)	8.172.384	6.152.316
Tax reduction	(3.011.496)	(955.875)
Current income tax	**7.036.003**	**5.196.441**
Deferred income tax	(811.610)	(1.886.376)
Total current tax	6.224.393	3.310.065

10. RESULT PER SHARE

	Year ending on	
Description	**31-Dec-14**	**31-Dec-13**
Net profit (A)	31.138.739	31.380.855
Number of ordinary shares (B)	671.338.040	671.338.040
Earnings per share (A/B)	0,0464	0,0467

(all amounts are expressed in RON, if not mentioned otherwise)

11. FIXED ASSETS

	Land	Buildings	Technical equipment	Other installation, equipment and furniture	Tangible assets pending	Total
COST						
31 December 2012	96.674.000	79.253.305	114.949.385	4.794.790	519.817	296.191.297
Purchasing	57.400	1.916.440	4.287.380	371.639	11.960.719	18.593.578
Output/Transfer	-	261	384.588	20.944	6.632..860	7.038.653
31 December 2013	96.731.400	81.169.484	118.852.177	5.145.485	5.847.676	307.746.222
Purchasing	-	15.333.602	4.396.461	442.566	14.781119	34.953.748
Output	-	11.730	2.247.999	301	20.182.363	22.442.393
31 December 2014	96.731.400	96.491.356	121.000.639	5.587.751	446.432	320.257.577
AMORTIZATION						
31 December 2012	-	1.377.586	91.882.689	4.013.353	-	97.273.628
Cost of the interval	-	10.715.635	8.779.283	347.699	-	19.842.617
Output		262	384.588	20.944		405.794
31 December 2013	-	12.092.959	100.277.383	4.728.244	-	116.710.451
Cost of the interval	-	9.928.518	6.564.865	191.053	-	16.757.639
Output	-	11.730	2.221.021	56.742	-	2.233.052
31 December 2014	-	22.009.747	104.621.227	4.862.555	-	131.235.037
PROVISION		209.348				
31 December 2012	-	8.454	244.652	-	-	454.000
Output	-					8.454
31 December 2013	-	200.894	244.652			445.546
Ouput	-					
31 December 2014	-	200.894	244.652			445.546
NET VALUES						
31 December 2014	96.731.400	74.280.715	16.134.760	983.688	466.431	188.576.994
31 December 2013	96.731.400	68.875.631	18.574.031	805.376	5.603.024	190.590.225

(all amounts are expressed in RON, if not mentioned otherwise)

Depreciation of fixed assets

Accounting depreciation is calculated using the straight line method. For new fixed assets entered in 2014 such as installations, machines and measuring and control devices, shelf lives have been established taking into account:

- the estimated use level based on the use of the asset's capacity;
- repair and maintenance program on the installations and equipment;
- moral wear and tear determined by possible changes in the production process according to the structure of the product portfolio provided by the company.

12. INTANGIBLE ASSETS

Changes in the cost of acquisition and amortization related to intangible assets are presented in the following table:

	31-Dec-14	**31-Dec-13**
Initial balance	10.748.875	8.473.834
Input	2.524.645	3.107.752
Output	-	832.711
Final balance	13.273.520	10.748.875
Amortization		
Initial balance	4.625.028	5.586.380
Cost of the interval	731.650	1.038.648
Output		
Final balance	5.356.678	4.625.028
Net value	**7.916.842**	**6.123.847**

13. STOCKS

Description	**31-Dec-14**	**31-Dec-13**
Raw materials and consumables	14.419.633	15.093.101
Ongoing production	1.135.357	1.457.875
Semi-manufacture and finished product	33.900.223	25.793.924
Adjustments for semi-manufacture and finished products	324.637	
Goods	8.153.888	8.135.333
Adjustment for goods		
Total	**57.284.464**	**50.363.337**

The value of stocks taken as guarantees is 25,300,000 lei.

(all amounts are expressed in RON, if not mentioned otherwise)

14. TRADE RECEIVABLES AND OF A DIFFERENT NATURE

Description	31-Dec-14	31-Dec-13
Trade receivables	265.931.171	276.495.379
Adjustments	37.824.844)	(28.975.492)
Various debitors and other receivables	8.499.935	8.975.251
Adjustments for various debitors	-	-
Receivables related to staff	782	695
Other receivables to state budget		
1.461.628 291.736		
Various debtors and other receivables	676.395	291.736
Total financial assets other than cash, classified as loans and receivables	**230.245.132**	**249.757.923**
Advance payments	1.816.890	4.243.694
Total	**232.062.022**	**254.001.617**

The fair values of trade and other receivables classified as loans and receivables do not differ significantly from their carrying amounts.

Affiliated parts

The company does not own shares at other companies. The remuneration given to the Management Board and executives is presented in the following table

Description	31-Dec-14	31-Dec-13
Salaries	2.295.118	2.183.817
817817Taxes and social contributions	619.265	733.270
Other benefits (meal vouchers)	-	558
Total	**2.914.383**	**2.197.645**

December 31, 2014, the company recorded adjustments for trade receivables representing customers' balance that is unlikely to be earned by the company.

Date analysis	31-Dec-14	31-Dec-13
Receivables - clients	228.104.434	247.519.888
Up to 3 months	99.066.933	111.331.671
b/w 3 and 6 monhts	62.220.743	64.034.801
b/w 6 and 12 months	66.816.758	72.153.416

Thefluctuations of provisions for depreciating trade receivables are presented below:

(all amounts are expressed in RON, if not mentioned otherwise)

Adjustment of clients	**31-Dec-14**	**31-Dec-13**
Start of the period	28.975.493	32.907.667
Made during the year	8.982.010	137.288
Costs during the period with unrecoverable receivables	-	-
Canceling adjustments	(42.658)	(4.069.528)
End of the interval	**37.824.844**	**28.975.493**

The values of receivables turned into guarantees is 211,126, 616 lei.

15. CASH AND CASH EQUIVALENTS

Description	**31-Dec-14**	**31-Dec-13**
Available at the bank	17.777.703	9.607.505
Cash and cash equivalents	28.531	24.140
Various (letters of credit)	-	856.091
Total	**17.806.234**	**10.487.736**

The value of restricted debt in letters of guarantee is 12,667.84 lei.

16. TRADE DEBT AND DEBT OF A DIFFERENT NATURE

Description	**31-Dec-14**	**31-Dec-13**
Trade debt	36.013..904	42.000.881
Suppliers of assets	1.717.213	3.954.932
Debt relative to staff	1.388.412	1. 352.662
Taxes and social contributions	2.384.249	2.658.614
Other fiscal debt	1.172.264	-
Other debt	960.408	581.586
Outstanding interest	90.778	73.399
Total debt minus loans, classified as measured per amortized cost	**43.727.228**	**50.622.073**
Dividens	3.043.909	1.898.007
Dividends	145.033	846.559
Advances from clients		
Total	**49.916.170**	**53.366.639**

17. AMOUNTS OWED TO BANKS

Amounts owed to banks on 31.12.2014

Short-term contract no. 28/18.04.2005 concluded with Alpha Bank-Sucursala Iasi

Objective	Credit line – current capital

Amount	8,000,000 LEI 100,000 EUR
Outstanding amount	28.05.2016
Balance on December 31 2014	3,694,740.11 LEI
Guarantees	Receivables assignment agreement

Short-term contract no. 12/01.07.2013 concluded with EXIMBANK

Objective	Loan – current capital
Amount	60,000,000 lei
Outstanding amount	30.06.2017
Balance on December 31 2014	20,206,393.16 LEI
Guarantees	Mortgage on buildings, land, Receivables

Short-term contract no. 12239/22.05.2012 concluded with ING BANK N.V. AMSTERDAM-Romania branch

Objective	Loan – current capital
Amount	9,500,000 EUR
Outstanding amount	22.05.2017
Balance on December 31 2014	6,890,120.15 EUR (30,882 ,966.16 LEI)
Guarantees	Mortgage on buildings, land, receivables

Amounts owed to banks on 31.12.2013

Short-term contract no. 28/18.04.2005 concluded with Alpha Bank-Sucursala Iasi

Objective	Credit line – current capital
Amount	8,000,000 LEI 100,000 EUR
Outstanding amount	30.05.2016
Balance on December 31 2013	3,301,508.20 LEI
Guarantees	Receivables assignment agreement

Short-term contract no. 12/01.07.2013 concluded with EXIMBANK

Objective	Loan – current capital
Amount	60,000,000 lei
Outstanding amount	30.06.2017
Balance on December 31 2014	31,967,468.52 LEI
Guarantees	Mortgage on buildings, land, Receivables

(all amounts are expressed in RON, if not mentioned otherwise)

Short-term contract no. 12239/22.05.2012 concluded with ING BANK N.V. AMSTERDAM – Romania branch

Objective	Loan – current capital
Amount	9,500,000 EUR
Outstanding amount	22.05.2016
Balance on December 31 2013	9,403,675.59 EUR (36,870,5218.73 LEI)
Guarantees	Receivables assignment agreement /Mortange ob buiding, land

SC Antibiotice SA neither submitted guarantees nor pledged or mortgaged its own assets to guarantee obligations in favor of a third party.

18. SHORT TERM PROVISIONS

The variation of provisions is presented in the following table:

Provisions	
31 December 2015	**3.753.883**
Made during the interval	5.021.334
Use during the interval	3.753.883
31 decembrie 2014	**5.021.334**

19. SUBVENTIONS FOR INVESTMENTS

Subventions for investments	**31-Dec-14**	**31-Dec-13**
Waste water treatment plant	3.496.314	3.872.726
Equipping research labs	15.358	47.519
Other investment	-	8.657
Analytical lab	10.090	5.217
Partnership agreement	-	1.895
Total	**3.521.762**	**3.940.729**

The amounts reflected in the account subventions for investments received as subsidies in the last 10 years for investments in environmental protection as well as increasing the competitiveness of industrial products from the Ministry of Economy and Trade.

20. DEFERRED INCOME TAX

The variation of debt regarding deferred income tax is presented in the table below:

Description	**31-Dec-14**	**31-Dec-13**
Initial balance	17.448.292	19.334.668
Cost / (income) deferred tax	(811.610)	(1.886.376)
Final balance	18.758.368	19.479.158

The main components of the deferred tax are: deferred tax related to the revaluation of fixed assets during the period 2004-2009 and deferred tax related to revaluations in 2012 and 2015.

(all amounts are expressed in RON, if not mentioned otherwise)

21. LONG TERM PROVISIONS

Actuarial notation represent the salaries received bu the staff for early retirement and has the following componence

Description	31-Dec-14	31-Dec-13
Provisions for early retirement	0	4.061.177
Total	**0**	**4.061.177**

22. SHARE CAPITAL

The subscribed share capital of the company as of 31 December 2014 is 67,133,804 lei, the nominal value of one share being of lei 0.1000 per share. The company has 671,338,040 shares that give equal rights to the shareholders of the company. Antibiotice did not issue shares that would give preferential rights to the shareholders holding it.
In accordance with the provisions of IAS 29 - Hyperinflationary Savings, the share capital was restated taking into account the inflation index communicated by the National Statistics Commission. It was applied starting with the balance determined according to GD 500/1994, from the date of submission until 31.12.2003, the date when it was considered that the national economy ceased to be a hyperinflationary one.
Subsequent to 31.12.2003 the share capital increased according to the historical amounts registered with the Trade Register. On 31.12.2012, there is a reported loss on the balance sheet of the company arising from the application for the first time of IAS 29 "Financial Reporting in Hyperinflationary Economies" which is proposed to cover the amount resulting from the application of IAS 29 "Financial Reporting in Hyperinflationist Economies "as follows:

Reported result to loss arising from first application of IAS 29	197.701.352
Share capital adjustment - first application of IFRS	197.701.352

According to Order 1690/2012 on the modification and completion of accounting regulations, the carried forward accounting loss resulting from the transition to the application of IFRS, from the adoption of IAS 29 for the first time, and from the use, at the date of transition to IFRSs, of the fair value The assumed cost is covered by equity (including the amounts reflected in the credit of account 1028 "Adjustments of the share capital"), according to the GMS decision, in compliance with the legal provisions.

23. RESERVES

Reserves include the following

Description	31-Dec-14	31-Dec-13
Revaluation reserves fixed assets	5.146.279	7.007.394
Legal reserves	13.189.007	11.360.142
Deferred tax recognized on equity	(987.808)	(1.285.586)
Other reserves	118.149.425	105.017.965
TOTAL	**135.496.903**	**122.099.915**

(all amounts are expressed in RON, if not mentioned otherwise)

The following describes the nature and purpose of each reserve within the equity:

Reserve	**Description and purpose**
Fixed assets revaluation reserves	If the carrying amount of a tangible asset is increased as a result of the revaluation, then the increase should be recognized in other comprehensive income and accrued in equity as a revaluation surplus. Revaluation reserves cannot be distributed and can not be used to increase the share capital.
Legal reserves	According to Law 31/1990, at least 5% of the profit for the formation of the reserve fund is taken each year until it reaches at least a fifth of the share capital
Other reserves	Other reserves include reserves that represent tax incentives that can not be distributed with implications for the recalculation of the tax on profit. The difference represents reserves made up of profits.

24. REPORTED RESULT

Reported result includes the following:

Description	**31-Dec-14**	**31-Dec-13**
Retained earnings arising from the adoption for the first time of IAS 29, except for IAS 29	(961.437)	961.437
Retained earnings - correcting accounting errors		
Reported result – surplus from revaluation reserves	3.782.097	2.218.750
Retained earnings from the use of fair value as deemed cost at the date of transition to IFRS	(126.779.469)	(126.779.469)
Retained earnings arising from the adoption for the first time of IAS 29	197.701.352	197.701.352
Total	**67.139.797**	**69.664.570**

25. PROFIT DISTRIBUTION

On 31.12.2014 Antibiotice recorded a net profit of RON 31,138,739 LEI which is proposed for distribution as follows:

Description	**31-Dec-16**	**31-Dec-15**
Legal reserve on 2014	237.754	1.828.865
Dividends	15.746.709	15.459.094
Loss coverage	-	961.436
Other reserves	15.154.276	13.131.460
Total	**31.138.739**	**31.380.855**

The gross dividend per share for the year 2014 was set at 0.02345571 lei, which represents a distribution rate of 50.6% of the net profit for the financial year 2014.

(all amounts are expressed in RON, if not mentioned otherwise)

26. CONTINGENT LIABILITIES

Antibiotice has the following litigations, as defendant:
File no. 19515/3/2010, request for compensatory payments for using a patent; the value of the damages requested is 1,377,795 lei. The file is undergoing trial, in the appeal phase.
File no. 39211/245/2012 – request formulated by Lux Company. The file is undergoing trial, the appeal stage.

27. INFORMATION ON AUDITING FINANCIAL STATEMENTS

Financial audit for the fiscal year 2014 was conducted by SC BDO Audit SRL. The auditor performed auditing services only.

28. EVALUATION AT THE FAIR VALUE

Based on IFRS 13- Evaluation at the fair value, the levels of evaluation and the manner of doing the evaluation are presented below

Position	Fair value	Manner or evaluation	Level of evaluation	Data which are not directly observed
Land	XX	The fair value of the land was determined by market comparisons. Market price for similar locations was adjusted according to the features of the land analyzed. The evaluation model is based on price on sq.meter.	Level 2	N/A
Buildings	XX	The fair value of the land was determined by applying the income method based on a rental value. The calculation elements were estimated by an expert evaluator, based on comparative data.	Level 3	Discount rate Residual value