

ADMINISTRATOR'S REPORT FOR THE FIRST SEMESTER 2015

Half-yearly report according to: IFRS
 For the financial year: 30.06.2015
 Report date: 4 august 2015
 Name of the company: Antibiotice SA
 Registered office: Iasi, Strada V. Lupului no.1
 Phone number: 0232/209000; fax: 0232/209633
 Tax registration number: RO1973096
 Trade register registration number: J22/285/1991
 Regulated market where securities are traded: Bucharest Stock Exchange
 Subscribed and paid share capital: 67.133.804 lei
 The main characteristics of securities issued by the company: nominal shares, nominal value: 0.10 lei.

During the first half of 2015 the pharmaceutical market was situated at an expected level compared to previous periods, due to legislative changes with effects impacting upon manufacturers, distributors, pharmacies and hospitals.

Since February, the first signs concerning the lowering of medicines prices appeared after applying the Order of the Minister of Health no. 75/2009 as amended and supplemented which determined pharmacies to lower their purchases as their main objective was the regulation of their stocks and reducing the losses generated by this order.

In addition, changes occurred in the subsidized drug lists of the national health programs and the lists of free and compensated medicines in smaller proportions both for the introduction of new molecules and the removal of molecules from the lists as well as proposals for new lists of compensated medicines with 20% settlement regime, for molecules with major impact on the health budget that were previously settled with 50% and 90%.

Concerning manufacturers, the unfavorable impact generated by the increase of the claw back tax which made it difficult to achieve the objective set initially for the product portfolio. This tax has increased from 20% in Q4 2014 to over 25% in Q1 2015.

In this context, the pharmaceutical market in Romania registered in the first six months of 2015 a value of 6.09 billion lei compared to the same period of 2014 when it amounted to 5.9 billion lei according to the Cegedim market analysis and market studies campaign (values calculated based upon the input prices in pharmacies).

The company's efforts were directed towards achieving the indicators for the domestic market approved from the Revenues and Expenditure Budget, according to the following table:

Name of indicator	REB approved 2015	REB approved First half 2015	Achieved First half 2015
Revenues from domestic sales (million lei)	235	85	86.5
Gross profit (million lei)	26.1	16.6	16.6

Since the budget has forecasted lower sales on the domestic market by 18% which were determined on the one hand by the price reduction generating an estimated cut-down of 15 million lei and on the other hand the increase of the claw-back tax, an estimated level of 11 million lei for the year 2015. The fact that Antibiotice has achieved the budgeted figure for the first half of 2015 and

performed the destocking from pharmacies creates a favorable situation to achieve the indicators from the Revenues and Expenditure Budget by the end of the year.

The objectives of the first half of 2015 for the domestic market took into consideration the achievement of the budget approved by the Board of Directors and the General Meeting of Shareholders, as well as the destocking from pharmacies and the sales channels (distribution, hospital, retail). Thus, during the analyzed period, the company has achieved distribution outputs in the amount of 145.7 million lei and outputs from pharmacies and hospitals in the amount of 141.8 million lei.

Million lei

Name of indicator	First semester 2013	First semester 2014	First semester 2015	2015/ 2014
Distributor outputs (manufacturer's price)	136.4	140.0	145.7	4.07%
Pharmacies and hospitals outputs (source: Cegedim)	122.6	119.1	141.8	19.06%
PHARMA MARKET (source: Cegedim)	5.784,6	5.898,7	6.094,4	3.3%

In November 2014, the marketing research and analysis company Cegedim performed a correction of the values reported for the hospital market for 2013-2014. Thus, these values were recalculated in average prices of auctions which led to a decrease for the year 2013 in the total amount of 246.89 million lei (-2%) compared with the previously reported figures for the total market.

Thus, for the hospital and pharmacies outputs, Antibiotice registered a 19% increase compared to the overall market that registered an increase of only 3.3%.

For the hospital segment, during the first 6 months of 2015 the growth was 14.5% (from 29.3 million lei during the first half of 2014 to 33.6 million lei) compared to the market that registered an increase of 11% (from 676.3 million lei during the first 6 months of 2014 to 750.6 million lei).

In the retail segment, Antibiotice grew by 20.5% (from 89.8 million lei during the first semester of 2014 to 108.2 million lei during the first semester of 2015) compared to the market that registered 2.3% (from 5.2 billion lei during the first 6 months of 2014 to 5.3 billion lei during the first semester of 2015).

The activity of the teams in the market in accordance with the marketing plan defined at the beginning of the year 2015 always adapted to market changes as well as to the commercial policies implemented by the company during the analyzed period led to strengthening sales in the category of strategic products, which registered an increase of 27.7% during the first semester of 2015, compared to the same period of the last year.

After the first 6 months of the year 2015, our company ranks in the top four of the prescription generic companies, with a market share of 8.48%. Also, on the domestic pharmaceutical market, Antibiotice ranks 13 with a market share of 2.33%, compared to the same period of the last year when our company had a market share of 2.02%.

In order to achieve the objectives for 2015, during the first 6 months the following strategies were conducted:

Product strategy

The company's portfolio was completed during the first semester of 2015 with two new products from the therapeutic classes that Antibiotice has chosen to develop during the following years, anti-infective class product, respectively (Imipenem/Cilastatin Atb® powder for injection 500 mg/500 mg) and the Central Nervous System class (Memantina Atb® tablets 20 mg). Also the product Amoxiplus® tablets 875 mg/125 mg returned to the company's portfolio.

Price strategies

After analyzing the competition, the opportunity of changing prices occurred for a series of products without a prescription. Thus, since March the company increased prices for the following products: Bromhexin Atb® tablets 8mg, Cutaden Bebe® cream 40g, Cutaden® ointment 40g, Glicerina Atb® suppositoires, Naftifina Antibiotice cream 15 g, Paracetamol Atb® suppositories and Piroxicam ointment 35 g.

Also, the first half was a period of continuous analysis and adaptation of policies for the Antibiotice portfolio with a prescription concerning the amendment of the Order 75/2009.

Distribution strategies

The product portfolio was supported during the first half of the year both by distribution (monthly framework offer, periodical campaigns, promotion and merchandizing project for the OTC products), as well as through our own commercial team and the Call Center team with specific actions.

For the period January-June, an offer time table was drawn up and the profitable products with significant shares in the estimates are supported alongside those that represent an important share in the stock of the distributors.

All the policies developed during the first 6 months of 2015 have been translated into the following indicators:

Structure of sales in pharmacies and hospitals by therapeutic classes during the first six months of 2014-2015:

Million lei

THERAPEUTIC CLASSES	First semester 2014	First semester 2015	Variation 2015/2014 S1
Anti-infectives for systemic use	70.1	82.3	17.4%
Preparations for dermatological use	12.2	15.7	29.0%
Digestive tract	11.2	13.7	21.9%
Cardiovascular system	10.7	12.9	20.8%
Central Nervous System	5.1	6.6	31.6%
Musculoskeletal system	6.0	6.5	7.9%

Source:

Cegedim 6 months 2015

At the level of **Anti-infectives**, the products which registered an important contribution in achieving the figure in this class are:

- Cefort® powder for injection 1 g: from 8.07 million lei to 12.2 million lei (+2.9 million lei);
- Eficef® tablets 200 mg (cefiximum): from 6.3 million lei to 9.4 million lei (+3.1 million lei);
- Amoxicilina tablets 500 mg: from 6.6 million lei to 7.4 million lei (+0.7 million lei);
- Ampiplus® powder for injection 100 mg/500 mg: from 4.1 million lei to 4.9 million lei (+0.8 million lei)
- Colistina ATB® powder for injection 1.000.000 UI: from 3.4 million lei to 4.3 million lei (+0.9 million lei);
- Meropenem Atb® powder for injection 1g: from 0.9 million lei to 2.5 million lei (+1.6 million lei).

The products with an important input in the Dermatological preparation class are:

- Nidoflor®: from 3.6 million lei to 4.8 million lei (+1.2 million lei);
- Fluocinolon N: from 2.5 million lei to 3 million lei (+0.5 million lei).

Regarding the **Digestive Tract** class, we mention the positive evolution of Omeprazol Atb® tablets 20 mg (+0.7 million lei), Glycerin suppositories (range) (+0.8 million lei) and Silithor® (product launched in Q4 2014 with sales during the first semester of 2015 in the amount of 0.4 million lei).

The products in the **Central Nervous System** class registered during the first six months compared to the same period last year, an additional 5.1 million therapeutic units or an added value of +1.1 million lei. This increase in volume and value was supported by the positive evolution of the following products:

- Novocalmin® suppositories for children: from 1.7 million lei to 2.6 million lei (+0.9 million lei);
- Nobixal® (tianeptinum) and Memantina Atb® tablets (range): newly launched products that have managed to bring value amounting 0.4 million lei.

The products in the **Cardiovascular** class that have registered during the first six month a growth rate higher than the same period last year are:

- Almacor® tablets (range): from 1.2 million lei to 1.9 million lei (+0.7 million lei);
- Nolet® tablets 5 mg: from 1 million lei to 1.6 million lei (+0.6 million lei)
- Rosuvastatina Atb® (range): newly introduced in the portfolio, it managed to get total sales amounting 0.4 million lei.

Also, during the first six months of 2015 Antibiotice has consolidated its leading position for the ointments, suppositories and powders for injection forms, with increasing market shares compared to the same period last year.

PHARMACEUTICAL FORMS	Million IU	
	2014 6 MONTHS	2015 6 MONTHS
SUPPOSITORIES	14.487.078	17.027.826
* rank	1	1
* market share	42.4%	44.1%
OINTMENTS, CREAMS, GELS	2.984.188	3.222.968
* rank	1	1
* market share	27.6%	28.4%
POWDERS FOR INJECTION	11.565.625	12.952.094
* rank	1	1
* market share	73.6%	75.9%

Source: Cegecim 6 months 2015

Foreign market

The sales on foreign markets during the first six months of 2015 amounted 45.9 million lei, a value similar to the one registered during the first half of 2014.

Regarding the export of Nystatin, the marketing strategy aimed at maintaining the worldwide leading position of our company. In these conditions, the quantity exported during the first six months of 2015 was 2% higher than last year. Strengthening the leading position of the worldwide Nystatin market was possible due to the sales policy directly to the end users, while reducing the amount of active substance marketed through traders. Currently, the major markets ensuring the maintenance of a significant volume of Nystatin sales and in North America, Russia, the CIS countries, Asia and the Middle East.

The main new projects for the Nystatin product aimed at its marketing by two leading US consumers that finally received the FDA authorization (Food and Drug Administration) for the

Antibiotice product and sent the first orders starting on September 2015, as during the second semester the first commercial quantities will be delivered. The increased exposure on the US market will allow a better utilization of this product due to the higher prices on the other markets.

The marketing strategy for finished products also aims at increasing the presence of Antibiotice both on the regulated markets and on the semi-regulated markets. During the first semester of 2015, development projects with companies in the US, Canada and Europe were negotiated for the export of finished products as well as for product development partnerships and cooperation.

At the same time, new sources of growth were identified in new partnerships in the South-East Asia (Vietnam, Malaysia and Cambodia) where a change in the market approach strategy is planned by opening an Antibiotice representative office in Vietnam, in order to acquire a wider opening to this market and the neighboring countries.

Also, extra attention was paid to the development of new projects on less regulated markets in developing countries in Sub-Saharan Africa. In this respect, a partnership with a company in Ethiopia was initiated with which a number of 22 products will be registered initially for the Ethiopian market and, in the future, for the neighboring markets (Sudan, Kenya, Uganda and Tanzania).

Given the estimates agreed with the new partners, for the above mentioned markets, an increase of sales through the export of finished products by approximately 30% is estimated, compared to the forecast for 2015 applicable starting on 2017.

Employee performance as a strategy

The orientation towards performance as a human resources strategy required the completion of structures with the necessary staff by:

- the recruitment of 12 people with higher education for the medical and promotion activities.
- the redeployment of staff from the structures experiencing a surplus towards those with vacant positions according to the adapting possibilities of the staff to their specific requirements;

The structure of the staff on 30.06.2015:

Total employees: 1465, of which:

- higher education staff - 638 (43.5 % of total staff)
- secondary education staff - 827 (56.5 % of total staff).

In order to meet the company's objectives and to increase the business competitiveness and quality, the concerns of the Antibiotice company have resulted in career development projects for its employees, training programs tailored for each structure according to the needs identified for each field of activity, in close correlation with applicable legislative changes.

1. Conducting training sessions according to the „Annual training plan held by external lecturers” approved for the year 2015.

2. Continuing the training process with external lecturers through the “Summer school a+” project, 6th edition. Its objectives are:

- The familiarization of graduates in the fields of pharmacy, medicine, chemistry, biology, chemical engineering with the working environment, the concepts and regulations in the pharmaceutical industry in order to recruit specialists to fill vacancies at the Pharmaceutical Development, Quality Assurance, Regulatory Affairs and Production Units.

- The professional development of employees occupying management positions - top managers, middle managers, line managers, operating staff with higher education as well as secondary education staff.

Quality certified

Maintaining the processes that take place in the company under control, in compliance with the applicable laws and the continuous improvement of the Integrated Management System (quality,

environment, health and occupational security) guarantees and leads to an increased confidence in the quality, safety and efficiency of the Antibiotice products.

The results of inspections/audits conducted by the regulatory authority, certification bodies and/or clients during the first six months of 2015 support the above-mentioned statements:

1. Inspections / Audits conducted by authorities

During 20 - 22.01.2015 the ANMDM inspection was conducted which aimed at:

- GLP recertification at the Center for Drug Evaluation - bioanalytical laboratory.
- Recertification for partial manufacturing (secondary packaging, labeling) for clinical investigation of medicinal products within the Center for Drug Evaluation.

There were no critical nonconformities meaning that the GLP/GCP/GMP certification will be maintained.

During 02 - 10.06.2015 the US FDA inspection was conducted and aimed at the GMP recertification (US GMP) of the manufacturing lines for Nystatin active substance and for parenteral products.

The inspection was completed without having identified critical nonconformities so that Antibiotice can continue the work on the US market for the next two years both for the Nystatin product and for the parenteral products.

2. Audits from the beneficiaries of active substance / finished products, suppliers - potential suppliers of contracts (contract manufacturing)

On 22.01.2015 an audit was conducted by the DSM Company from the Netherlands, in order to assess Antibiotice as a contract beneficiary in the Amoxicillin 500 mg, capsules project.

No critical nonconformities were identified following the audit and the auditors appreciated the good knowledge of the manufacturing requirements of the Antibiotice Company staff as well as the quality of the presented documents. The auditors recommended the maintaining of the collaboration contract for the Antibiotice Company products.

3. Audits on suppliers of raw materials/ primary packaging materials/materials

During 01-02.04.2015 our company conducted audits on the pallets supply companies Mikim Brasov and DDCA, Tomasfalau, County Covasna, Romania.

The development of the company in 2015 is performed based upon annual indicators of the Revenues and Expenditure Budget approved in the General Meeting of Shareholders of April 30 2015. During January 2015 - June 2015 the evolution of the company was marked by the maintaining of the company's financial balance by a continuous correlation of assets and liabilities, ensuring balance and stability to achieve current activities.

Economic and financial results for the first half of 2015

The Antibiotice SA Iasi Company has been operating during the first half of 2015 in the spirit of achieving the objectives and indicators established in the Revenues and Expenditure Budget.

Starting with the financial year 2012 the International Financial Reporting Standards (IFRS) were adopted for the first time which required the restatement of the accounting information according to the Order of the Minister of Finance no. 881/2012 and the Order of the Minister of Finance no.1286/2012.

Statement of comprehensive income

For the first half of 2015, Antibiotice has established by the Revenues and Expenditure Budget a sales value of 11.5%, lower than the figure achieved in 2014, so that all the efforts were directed towards destocking the pharmacies and sales channels (distribution, hospitals, retail), towards the sales from distribution to pharmacies and hospitals given that the market has stagnated and even declined in terms of consumption.

The sales revenues during the first half of 2015 registered a value amounting 132.39 million lei, increasing by 1% compared to the values planned in the Revenues and Expenditure Budget.

- RON -

	Row	Financial year		
		Budget of expense & expenditure approved on semester I 2015	30.06.2015	30.06.2014
A	B	1	2	3
Sales revenue	1	130,740,000	132,392,535	149,783,941
Other operating revenue	2	13,882,000	11,311,734	5,320,519
Revenue relative to the cost of production stock	3	22,164,000	24,931,175	17,021,038
Revenue from capitalized activities	4	920,000	1,258,242	918,271
Expenses with raw materials and consumables	5	53,322,000	57,705,151	54,250,294
Payroll expenses	6	35,040,000	34,339,435	35,152,184
Expenses with amortization and depreciation	7	8,564,000	7,397,991	8,967,062
Other operating expenses, of which:	8	49,425,000	51,383,596	46,130,347
Claw back tax		16,400,000	18,187,592	11,708,128
Operating profit	9	21,355,000	19,067,513	28,543,884
Net financial income	10	-4,888,000	-2,429,214	-6,672,414
Profit before tax	11	16,467,000	16,638,300	21,871,471
Expenses with the income tax	12	2,635,000	1,379,351	3,576,779
Profit	13	13,832,000	15,258,949	18,294,692

The main expenses have evolved in the following way:

- Increase in raw materials and material costs is determined by the structure of production, by the increase in production value and the impact of USD increase compared to the budgeted level of 14%;
 - expenses related to staff reported a 2% decrease in comparison with the first semester 2014 by a more efficient use of the work force generating a higher value of merchandise production in comparison with 2014, and the same number of staff;
 - other operating expenses recorded a value of 51.4 million lei, up 11% over the same period last year and 4% compared with budgeted values. The increase is mostly due to an increase of the claw back tax by 6.5 million, its level in the first semester of 2015 (18.2 million) were 55% higher compared to the same period of the previous year (when the It was 11.7 million) and 11% higher compared to the amount estimated in BVC (16.4 million).

If the claw back tax reported in the first semester of 2015 was at last year's level, the gross profit for the period would have reached 23.1 million RON, higher by 1.2 million lei than the first semester of 2014.

Net profit for the period reported amounted to 15.3 million lei.

Financial statements

On 30/06/2015, the company's assets had a constant value compared to the beginning of the year.

	30.06.15	31.06.14	2015/2014
ASSETS			
Fixed assets			
Tangible assets	188,810,723	188,576,994	1.00
Non-tangible assets			
Non tangible assets	8,591,405	7,916,842	1.09
	197,402,129	196,493,836	1.00
Current assets			
Circulating assets			
Stocks	81,508,324	57,286,358	1.42
Commercial payables	253,091,519	232,060,128	1.09
Financial assets and assets for sale	220	140	1.57
Cash flow and cash equivalents			
	3,503,966	17,806,234	0.20
	338,104,030	307,152,860	1.10
TOTAL ASSETS	535,506,159	503,646,697	1.06
PRIVATE EQUITY AND LIABILITIES			
Shareholder's equity			
Subscribed and paid up share capital	264,835,156	264,835,156	1.00
Revaluation reserves	3,581,290	4,158,471	0.86
Legal reserves	13,426,761	13,189,007	1.02
Other reserves	133,303,701	118,149,425	1.13
Reported result	(66,562,617)	(67,139,798)	0.99
Current result			
	15,258,949	31,138,739	0.49
Shareholder's equity	363,843,241	364,331,001	1.00
Long-term debt			
Subventions for investments	3,340,742	3,521,762	0.95
Deferred tax	16,446,769	16,636,682	0.99
Log-term total debts	19,787,511	20,158,444	0.98
Current debt			
Commercial and other type of debt	62,799,558	46,916,170	1.34

Short-term debt	73,776,389	54,783,341	1.35
Debt resulted from taxes and fees/charges	10,678,315	12,436,407	0.86
Short-term provisions	4,621,145	5,021,334	0.92
Total current debt	151,875,407	119,157,252	1.27
Total debt	171,662,918	139,315,696	1.23
TOTAL EQUITY AND DEBT			
	535,506,159	503,646,697	1.06

Current assets:

- stocks at the end of the first semester report a 42% growth (level foreseen in the budget of revenue and expenditure 2015) over the value reported at the beginning of the year, in order to provide the necessary supply of finished product for the technical revision period;

- total receivables value is higher by 9%, from 232 million earlier this year to 258.1 million lei at the end of the first half of 2015.

- The main diagnostic indicators highlight financial stability of Antibiotice and concern for business enhancement, so that the current liquidity increased from 2.20 on S I in 2014 to 2.23 in 2015, the indebtedness decreased from 22% to 20% from against first high year 2014.

Index	Method of calculation	30.06.2015	30.06.2014
Current liquidity	Current assets/Current debt	2.23	2.20
Degree of indebteding	Credit on loan/ Owner's capital x 100	20%	22%
Speed of rotation of of clients' debts	Average balance relative to clients Sales revenue x time	327 days	320 days
Speed of rotation of fixed assets	Sales revenue/Fixed assets	0.67	0.76

Balance sheet liabilities

On 30 June 2015 the company recorded current liabilities worth of 151.9 million lei, up by 27% compared with the beginning of the year. Trade payables increased due to raw material price increase, necessary to sustain production and sales in the second half-year, both on the domestic and foreign markets.

The amount allotted as salary provision is generated by the employee's participation to profit.

Cash flow

The level of cash and cash equivalents at the beginning of the period was 17.81 million lei. The cash receipts from operating activities were worth 115.3 million lei. Cash payments to suppliers of goods and services were 81.2 million lei and those to and on behalf of employees amounted to 33.2 million. The level of cash flow and cash flow equivalents at the start of the period was RON 17.81 million.

Also, 6 million RON were paid representing income tax, VAT, local taxes and banking fees. Payments for the acquisition of fixed assets worth of 6 million RON were made. Contributions were paid to the Ministry of Health (claw back tax) amounting to 13.4 million lei.

Regarding the financing activities, cash collection/receipt of 18.7 million lei were reported representing short-term loans. Dividends worth of 8.5 million lei were distributed.

At the end of the fiscal year, cash and cash equivalents amounted to 3.5 million lei.

The company has paid up on June 30, 2015 liabilities to state and local budgets worth of 38.9 million lei.

Company administration

The executive management of the Company coordinates the company's strategic development, in close cooperation with the Management Board. Periodically, the two bodies examine the results obtained by implementing the strategy results of the business plan, the criteria of performance and the revenues and expenditure budget. In this regard, the company management informed the Board in seven meetings in the first semester of 2015 on all significant aspects relative to work and its evolution in relation to the previous forecast, reporting in accordance with the agendas of the meetings. These reports have been reviewed by members of the Board and, on this basis, as well as other information, resolutions were adopted impacting the activities within the company.

Antibiotice is represented by its CEO, who signs employment documents for third parties and in court issues (under Article 17, Chapter V, Articles of Association).

The Management Board retains the prerogative to represent the Company in relation with the directors it has appointed.

The executive management of Antibiotice Iasi is provided by executive managers, one of whom is the General Manager (CEO) and Vice President the Management Board.

The General Meeting of Shareholders is the highest decision making body of the company, where shareholders directly participate and make decisions. Among other duties, it decides on the distribution of profit, appoints The Board of Directors, the auditors and establishes the remuneration of the Board of Directors.

During the first semester 2015, the Board of Directors convened on April 30th, 2015 an Ordinary and Extraordinary General Meeting of Shareholders.

All necessary documents related to the smooth conduct of the General Meeting were published on time and according to the legislation in force.

In the OGMS, the Management Board approved the revocation of Mr. Radu Valentin due to his retirement and the election of Mr. Iavor Ionut Sebastian. Also the company's financial results for 2014 were approved, results which have been prepared in accordance with Minister of Finance Order no. 881/ 25.06.2012, Minister of Finance Order no. 1286/2012 for approval of accounting regulations in accordance with international standards financial reporting applicable to companies whose securities are accepted for trading on a regulated market; Order no. 1690/2012 with regards to amending and supplementing certain accounting regulations, the Minister of Finance Order 65/2015 on the main aspects related to preparing and submitting the annual financial statements and annual accounting reports of economic operators to the territorial units of the Public Ministry of Finance.

Within the same meeting the following decisions were taken:

- Approval of the distribution of 2014 net profit amounting to 31,138,739 lei, setting the gross dividend of 0.02345571 RON/ share and dividend payment starting on 01.10.2015;
- Granting discharge to the company administrators for the activity conducted during the financial year 2014, based on the reports presented.
- Approving the budget of income and expenditure for 2015.
- Approving the degree of fulfilling the objectives and performance criteria for 2014, for the members of the Management Board.;
- Approval of the contract extension with the financial auditor BDO Audit LLC, for a period of two years

- Approving the objectives making up the management plan for the members of the Management Board in 2015;
- Determining the remuneration of the Management Board members according to GEO no. 51/2013, with reference to the amendment and addition to GEO 109/2011 on corporate governance and public enterprises.
- Approval of lease to S.C. Vital Water Iasi a land of 345 sq m within lot no. 133178, where is situated a decommissioned nitrogen plant for Apa Vital's local project for drinking water supply, financed from European funds.

During the Extraordinary General Meeting of Shareholders, the following decisions were taken:

- Approval of an extension of the validity period with 12 months of the multiproduct ceiling (multi-currency in USD and LEI) in the amount of 60 million LEI, contracted by ANTIBIOTICE SA from Eximbank -the Export Import Bank of Romania.
- Approval of a 12 month extension of the validity of the state guarantee worth 10 million LEI, corresponding to the multiproduct ceiling (multi-currency in USD and LEI) in the amount of 60 million lei contracted from Eximbank.
- Approval to maintain the guarantees relative to the multi funds (multicurrency, USD and LEI) in the amount of 60 million lei for the entire term of validity, further to extending according to points and 2 on the Agenda.
- Issuing a decision - pledge of Antibiotice SA not to divide itself, not to merge and not to decide the anticipated dissolution throughout the period of validity of multi-product threshold (multi-currency in USD and LEI and guarantees issued on behalf of the state by Eximbank, without prior consent of the Export Import Bank of Romania - Eximbank.
- Empowering the CEO Ioan Nani and the Financial Director Paula Coman to sign on the behalf of the company all documents relative to extending and changing the credit facility according to paragraphs 1 and 2 and the Agenda as well as documents relative to the obligations undertaken by Antibiotice as per 3 and 4 on the agenda.
- Approve the change according to the Annex 1 - Administrators of Antibiotice (Articles of Incorporation) - according to the addendum proposed in the annex, which is an integrating part of the present document.
- Changing and updating the Articles of Incorporation in order to insert in article 6, referring to the company's object of activity and the codes of the building where the activity is conducted

1.2110 - Manufacture of basic pharmaceutical products /building code: P10-B and putting under the category *Secondary Activities* the following activities and the CAEN codes, together with the code of the buildings where these are conducted:

1. 2120 - Manufacture of basic pharmaceutical products /building codes: P1-US, P9-C, P11-PP, P13-CsP, P14-Csc, P15-CsN;
2. 4646 - En gros sales of pharmaceutical products/building codes: P7-D;
3. 5210 - Warehouse/building code: P5-D, P28-D, p29-D,P33-D;
4. 5224 - Handling;
5. 7120 - Testing and technical activities/building code: P2-CC;
6. 7219 - Research-development in biotechnology/building code: P21-MKP;
7. 7211 - Research-development in biotechnology/building code: P21-MKP
8. 8292 - Packaging/building code: P1-US, P9-C, P11-PP, P13-CsP, P14-CsC, P15-CsN;
9. 8622 - Specialized medical assistance/building code: P16-CEM-RA.

ATB Antibiotice shares / REGULAR MARKET

	2013	2014	Sem. I 2015
Number of shares	671.338.040	671.338.040	671.338.040
Market capitalization (thousand lei)*	374.607	390.719	393.068
Market capitalization (thousand euro)*	83.919	87.173	87.866
Market capitalization (thousand \$)*	115.413	105.978	98.343
Total traded value (million lei)	23	16	9

No. of traded shares	48.439.486	27.467.454	14.836.864
Opening price (lei/share)	0.3774	0.5520	0.5900
Maximum price (lei/share)	0.5680	0.6170	0.6170
Minimum price (lei/share)	0.3700	0.5410	0.5700
Price at the end of the period (lei/share)	0.5580	0.5850	0.5855
Average price (lei/share)	0.4692	0.5845	0.5800

* Calculated based on the share price on the last trading day of the respective period

B.D.O. Audit Ltd. has audited the financial situations for the first half-year 2015, reviewed the conformity of the half-yearly report with the financial statements.

Conclusions:

- In a stagnating pharmaceutical market, Antibiotice managed an increase of its output to pharmacies by 19%.
- To enhance our presence on international markets we are developing projects that will generate a 30% boost in sales of finished products over the next 3 years.
- Antibiotice invests in the continuous training and education of its staff.
- New products will be added to our portfolio with therapeutically valuable products, aiming to strengthen the sales revenue by 450 million RON by 020.

Vice-president of the Management Board,
and CEO
Ec. Ioan NANI

Economic Director
Ec. Paula COMAN