

CURRENT REPORT

In conformity with the following:

- Law no. 297/2004 republished and Romanian National Securities Commission (Rom. CNVM) regulations issued for its enforcement;
- CNVM regulation no. 1/2006 on issuers and operations with securities;
- CNVM regulation no. 6/2009 on exercising certain rights by shareholders in the general meetings of trading companies;
- Government Emergency Ordinance no. 109/2011 on corporate governance in public enterprises;
- Law no. 31/1990 republished, with all subsequent amendments;
- Articles of Incorporation of the company.

Date of report: **26/04/2012**

Name of issuing entity: **Antibiotice SA**

Registered office: **Iași, 1 Valea Lupului Street, zip code 707410, <http://www.antibiotice.ro>**

E-mail: **relatiicuinvestitorii@antibiotice.ro**

Telephone/facsimile: **0232 209000 / 0232 209633**

Tax identification number registered with the National Trade Register Office: **RO1973096**

Serial number in the Trade Register: **J22/285/1991**

Subscribed and paid-up share capital: **RON 56,800,710**

Regulated market on which the issued securities are traded: **The Bucharest Stock Exchange**

Number of shares: **568,007,100**

Number of votes: **568,007,100**

Key features of the securities issued by the trading company: **nominal shares, nominal value: RON 0.10**

Significant event to be reported:

DECISIONS

of the Ordinary and Extraordinary General Meetings of the Shareholders

The Ordinary and Extraordinary General Meetings of the Shareholders of Antibiotice S.A. Iași, a trading company incorporated and operating under the Romanian law, registered with the Trade Register Office attached to the Iași Court under number J22/285/1991, tax identification number RO1973096, with the headquarters at 1 Valea Lupului Street, Iași, Romania, with subscribed and paid-up share capital amounting to RON 56,800,710, divided into 568,007,100 nominal shares with a nominal value of RON 0.1000 each,

convened by the notice published in the Official Gazette of Romania, Part IV, no. 1186/26.03.2012 and in Ziarul de Iasi no. 71 (6290) dated 26.03.2012,

in conformity with the provisions of the Law no. 31/1990 on trading companies, republished, with the subsequent amendments and addenda, Law no. 297/2004 on the capital market, the Romanian National Securities Commission (Rom. CNVM) regulation no. 1/2006 on issuers and operations with securities, CNVM regulation no. 6/2009 on exercising certain rights by shareholders in the general meetings of trading companies, Government Emergency Ordinance no. 109/2011 on corporate governance in public enterprises and the Articles of Incorporation of the company,

held at the company's headquarters located at 1 Valea Lupului Street, at 10⁰⁰ a.m. (the ordinary meeting) and, respectively 12 a.m. (the extraordinary meeting) on 26/04/2012, at the first call, in the presence of a number of shareholders representing 70.02% of the share capital value, i.e. 70.02% of the total number of voting rights,

DECIDE:

I. Ordinary General Meeting of the Shareholders

Decision no. 1: With the vote of the shareholders holding 69.88% of the share capital value and 99.80% of the total votes cast, the GMS approves the company's financial statements for the financial year 2011 based on the Management Report and the Financial Auditor's Report.

The financial statements were prepared in accordance with the Minister of Public Finances Order no. 1752/2005 on the approval of accounting regulations compliant with the European directives and the Accounting Law no. 82/1991, as follows:

• turnover	RON 281.847.455
• total revenue	RON 302.548.473
• total expenditure	RON 276.150.814
• gross profit	RON 26.397.659
• net profit	RON 20.298.909

The financial auditor's report for the fiscal year 2011 was presented by the representative of the audit company "B.D.O. Audit" SRL, Mr. Mircea Tudor.

Decision no. 2: With the vote of the shareholders holding 69.88% of the share capital value and 99.80% of the total votes cast, the GMS approves the allocation of the 2011 net profit amounting to RON 20,298,909, setting the gross dividend per share at RON 0.015191574 (following the proposal of the major shareholder, the Ministry of Health), payment of dividends within no longer than 6 months from the date of the general meeting, according to the provisions of the Art. 238 paragraph 2 of the Law no. 297/2004 republished unless the next GMS decides the reinvesting of the 2011 dividends by capitalization.

Allocation of profit:	RON 20,298,909
• legal reserve	RON 1,319,883
• amounts due to the correction of the retained earnings	RON 643,127
• reserves from the recovery and capitalization of waste and assets	RON 622,240
• reserves from R&D activities according to Art. 19 of the Fiscal Code	RON 455,816
• self-financing sources	RON 8,628,921
• dividends, out of which:	RON 8,628,922
- dividends owed to the major shareholder	RON 4,574,819
- dividends owed to other legal and natural persons	RON 4,054,103

Decision no. 3: With the vote of the shareholders holding 69.71% of the share capital value and 99.54% of the total votes cast, the GMS approves the discharge of the managers from liability for their activity performed during the financial year 2011, based on the reports submitted.

Decision no. 4: With the vote of the shareholders holding 69.71% of the share capital value and 99.54% of the total votes cast, the GMS approves the Revenue and Expenditure Budget for 2012, as follows:

• turnover	RON 309,100 th.
• total revenue	RON 331,186 th.
• total expenditure	RON 301,296 th.
• gross profit	RON 9,890 th.
• net profit	RON 25,100 th.

Decision no. 5: With the vote of the shareholders holding 69.71% of the share capital value and 99.54% of the total votes cast, the GMS approves the degree of fulfillment of the objectives and performance criteria by the CEO.

Decision no. 6: With the vote of the shareholders holding 69.89% of the share capital value and 99.80% of the total votes cast, the GMS approves the implementation of the Government Emergency Ordinance (GEO) 109/2011 within the company.

Decision no. 7: With the vote of the shareholders holding 69.21% of the share capital value and 98.84% of the total votes cast, the GMS approves the replacement of the current Board of Directors by a new one established in conformity with the GEO 109/2011, as follows:

- a) Cessation of the mandate of the following Board members:
- NANI Ioan
 - NEGRU Ancamaria-Mihaela
 - MOLNAR Gheza-Gheorghe
 - RADU Valentin
 - DOBRA Vasilica-Rodica
 - ILIE Gabriela
 - BUZATU D. Florian-Teodor

b) Election of the new Board members by secret vote:

Full name	Age	Residence	Qualification
1. <i>NANI Ioan</i>	52	Iasi	Economist
2. <i>MOLNAR Gheza-Gheorghe</i>	69	Cluj	Physician, MD
3. <i>RADU Valentin</i>	63	Bucuresti	Economist, Ph.D
4. <i>STOIAN Nicolae</i>	56	Craiova	Economist
5. <i>ILIE Gabriela</i>	63	Craiova	Engineer

Decision no. 8: With the vote of the shareholders holding 69.71% of the share capital value and 99.54% of the total votes cast, the GMS approves the establishing of the management plan, objectives and performance criteria for the Board of Directors.

Decision no. 9: With the vote of the shareholders holding 68.38% of the share capital value and 97.65% of the total votes cast, the GMS approves the setting of the Board members' remuneration.

Decision no. 10: With the vote of the shareholders holding 69.89% of the share capital value and 99.80% of the total votes cast, the GMS approves the granting of the power of attorney to Mr. *IRIMIE Cristian Anton*, a representative of the Ministry of Health, to sign the contracts of mandate with the newly elected Board directors.

Decision no. 11: With the vote of the shareholders holding 69.89% of the share capital value and 99.80% of the total votes cast, the GMS approves the date of 15/05/2012 as registration date for the identification of the shareholders on whom the effects of the adopted decisions redound, according to the provisions of the Art. 238, paragraph 1 of the Law no. 297/2004 on the capital market.

II. Extraordinary General Meeting of the Shareholders

Decision no. 1: With the vote of the shareholders holding 53.02% of the share capital value and 75.71% of the total votes cast, the GMS does not approve the share capital increase.

Decision no. 2: With the vote of the shareholders holding 70.02% of the share capital value and 100% of the total votes cast, the GMS:

- approves the amendment of the company Articles of Association as a result of the implementation of the GEO 109/2011 according to the addendum in the annex, an integral part of this decision, adding the following to the original text of Art. 17, paragraph 2: "The persons who have held a managerial position in the company, i.e. have been directors and/or managers, and whose mandate ceased due to the fact they failed to fulfill their assigned objectives and performance and/or management criteria are not eligible to be elected as members of the Board".
- does not approve the modification of the Art.7 CHAPTER III - SHARE CAPITAL, SHARES, regarding share capital increase, due to the fact such increase has not been approved.

Decision no. 3: With the vote of the shareholders holding 70.02% of the share capital value and 100% of the total votes cast, the GMS approves the date of 15/05/2012 as registration date for the identification of the shareholders on whom the effects of the adopted decisions redound, according to the provisions of the Art. 238, paragraph 1 of the Law no. 297/2004 on the capital market.

Annex

Addendum to the Articles of Association of the trading company Antibiotice - S.A. Iași

II. CHAPTER V - BOARD OF DIRECTORS

Art.17 shall read as follows:

“Art.17. The company is managed by a Board of Directors made of 5 members, both legal and natural persons with experience in administering/managing profitable public enterprises and/or profitable companies operating in the same field of activity as the company.

At least one member of the Board must have business education and at least five (5) year experience in fields of accounting, economics, finance, or audit. Not more than two (2) civil servants or members of other categories of staff working for authorities or public institutions can be selected in the Board. The persons who have held a managerial position in the company, i.e. have been directors and/or managers, and whose mandate ceased due to the fact they failed to fulfill their assigned objectives and performance and/or management criteria are not eligible to be elected as members of the Board.

Most of Board members are non-executive and independent administrators.

To have a legally valid appointment of a director, the appointed person must expressly accept it.

The members of the Board of Directors shall make a professional liability insurance within the limits and in the conditions specified by the General Meeting.

The directors are appointed by the ordinary general meeting of the shareholders for a period of maximum 4 years. The mandate of the directors who have performed their duties appropriately may be renewed for new periods of maximum 4 years each.

The directors' remuneration shall be established by the General Meeting of the Shareholders. The remuneration and other incentives provided to the directors shall be reported and included in the annual financial statements and the annual report of the Remuneration and Appointment Committee of the Board. The directors' remuneration policy and criteria shall be made public on the company website by the Board of Directors, unless otherwise provided by law.

The candidates for the new director positions are designated by the current member of the Board or by shareholders, in conformity with the legal and statutory regulations. Throughout their mandate, the directors selected from the employees of the company shall have their individual employment contracts suspended.

The directors can be revoked at any time by the ordinary general meeting of shareholders. Should revocation occur with no just cause, the director is entitled to claim damages.

In case one or more positions of director are vacant, the Board shall appoint interim directors until the ordinary general meeting of shareholders convenes.

If such vacancy results in a decrease of the number of directors below the minimum legal number, the remaining directors shall immediately convene the ordinary general meeting of the shareholders in order to supplement the number of Board members.

Should the directors fail to fulfill their obligation to convene the general meeting, any relevant party may appeal to Court for the designation of a person responsible for convening the ordinary general meeting of shareholders to make the necessary appointments.

The Board of Directors shall elect a President of the Board and a Vice-President from among its members.

The President of the Board and the Vice-President can also be appointed by the ordinary general meeting.

The President is appointed for a period not exceeding the term corresponding to his/her mandate of director.

The President and the Vice-President can be revoked solely by the Board of Directors. Should the President or the Vice-President have been appointed by the general meeting, they shall be revoked only by such meeting.

The President coordinates the activity of the Board of Directors and submits reports on such activity to the general meeting of shareholders. In addition, the President supervises the appropriate performance of the company.

The Vice-President substitutes by right the President of the Board when the latter is absent. The Vice-President represents the Board of Directors in the relations with third parties. The Board can delegate other responsibilities to the Vice-President as well.

Should the President is temporarily unable to perform his/her duties, the Board of Directors shall assign another Director to take over the position of President for the period of such impossibility.

A Remuneration and Appointment Committee and an Audit Committee shall be created and shall operate within the Board. Such committees shall have an advisory function and consist of at least three (3) non-executive directors. At least one member of each of the two Committees shall be independent as well, in accordance with the provisions of the Law no. 31/1990 republished, on trading companies.

The Remuneration and Appointment Committee:

- formulates proposals on the positions of directors;
- develops and submits to the Board of Directors proposals related to the procedure for selection of candidates for the positions of director and other managerial functions;
- makes recommendations to the Board about the candidates to the above-mentioned positions;
- formulates proposals for the remunerations of executives and other managerial positions, remuneration of Board directors, censors and company employees;
- develops an annual report on the remuneration and other incentives granted to the directors during the financial year. Such report is submitted by the Board of Directors to the general meeting of shareholders which approves the annual financial statements. The annual report is made available to the shareholders including on the company website and includes at least information on the following:
 - (i) structure of remuneration, explaining the share of the fixed and variable elements;
 - (ii) (ii) performance criteria underlying the variable element of remuneration, the relationship between the achieved performance and remuneration;
 - (iii) (iii) considerations justifying any annual bonus scheme or other non-monetary benefits;
 - (iv) (iv) supplementary pensions or early retirement schemes, if any;
 - (v) (v) information on the duration of the contract, notice period negotiated, amount of damages for revocation with no just cause.

The Remuneration and Appointment Committee carries out any other duties assigned to it under the current Articles of Association, set by law or by the decision of the Board.

The responsibilities of the **Audit Committee** are specified in the Art. 47 of the GEO no.90/2008 with the subsequent amendments, namely:

- monitoring the financial reporting process;
 - monitoring the efficiency of the in-house control, internal audit, if applicable, and risk management systems of the company;
 - monitoring the statutory audit of the annual financial statements and consolidated annual financial statements;
 - verification of and monitoring the independence of the statutory auditor and the audit firm, and in particular the provision of additional services to the audited entity.
- At least one member of the audit committee must have experience in applying the principles of accounting or financial auditing.

The Board may create other advisory committees in charge with conducting investigations and formulation of recommendations to the Board in areas of interest for the company. The advisory committees consist of at least three directors and at least one member must be an independent non-executive director.

The advisory committees shall submit to the Board reports on their activity on a regular basis.

The decisions of the advisory committees shall be made by majority of the votes cast. The advisory committees shall meet at the company's headquarters any time necessary, but at least every three months, on any of its members' request. Meeting minutes shall be drawn up at each meeting. The minutes shall include the name of the participants, agenda of the debates, decisions taken, number of votes cast and any separate opinions. At least half of the members of the appropriate committee must be present in order to validate the decisions taken by the advisory committees. The members of the advisory committees may be represented in the meetings only by other members of the same committee. One present member can represent a single absent member. The minutes of the meetings shall be signed by the chairman and at least another director, a member of such committee.

The participation in the meetings of the Board as well as of the advisory committees can take place by long-distance communication means such as the Internet.

The Board of Directors, by unanimous agreement of the directors, can authorize directors to conclude some transactions or certain types of transactions. The Board may employ experts and advisers to examine and solve certain matters.

The Board shall meet at least every three months or whenever necessary, their remuneration being made on a monthly basis.

The President shall convene the Board, set the agenda, ensure the appropriate information of the Board members on the matters on the agenda, and chair the meeting.

The Board of Directors shall be convened also upon the motivated request of at least two of its members or of the CEO. In such case, the agenda is set by those who formulated the request. The President is required to comply with such request.

Meeting minutes shall be drawn up at each meeting. The minutes shall include the name of the participants, agenda of the debates, decisions taken, number of votes cast and any separate opinions. At least half of the members must be present for the validation of the decisions taken by the Board. The President of the Board who is, at the same time, a director of the company cannot have a casting vote. The members of the Board can be represented only by other Board members at the meetings. A present member may represent only a single absent member. The minutes of the meeting shall be signed by the chairman and by at least one other director.

In exceptional cases, justified by the urgency of the situation and the interest of the company, the Board's decisions can be taken by the members' unanimous vote expressed in writing, a meeting of the Board being no longer necessary. Such procedure cannot be used in case of Board decisions regarding annual financial statements or the authorized capital."

III. CHAPTER VI - MANAGEMENT OF THE COMPANY

Art.19 shall read as follows:

"Art.19. The General Meeting of the Shareholders shall elect the company Board of Directors. The Board shall delegate the management of the company to one or more executives, appointing one of them as Chief Executive Officer, based on contracts of mandate.

The executives may be appointed from among the directors or from outside the Board. Whatever the case, the selection of the executives shall be carried out in conformity with the legislation in force and shall consider the characteristics of the field and complexity of the company activity.

When the directors delegated with the management responsibilities are elected from among the Company employees, their individual employment contracts are suspended during their mandate.

The executive directors are responsible for taking all measures related to the management of the Company within the scope of company's activities and in compliance with the exclusive powers reserved by the law or by the Board of Directors and the General Meeting of the Shareholders.

The organization of the executives' activity is set by the Board's decision. The executive directors will inform the Board regularly and comprehensively on the undertaken actions and the envisaged ones.

The Board shall register with the Trade Register the names of the persons authorized to represent the Company indicating whether they act together or separately. Such persons shall submit signature samples to the Trade Register. The persons who, by law, cannot be founders can be neither directors nor managers.

The remuneration of the executives is established by the Board of Directors. The general boundaries of the executive directors' remuneration are set by the present Statutes directly related to the importance of their work as well as to the field of their activity and the results of the Company. Thus, the monthly allowance of an executive shall not exceed 0.00007% of Antibiotice S.A.'s turnover achieved during the latest financial year.

The remuneration and other benefits offered to the directors shall be recorded on and included in the annual financial statements and the annual report of the Remuneration and Appointment Committee of the Board. The policy and remuneration criteria of the executive directors shall be made publicly known on the Company's website by the courtesy of the Board of Directors if not otherwise provided by law."

IV. CAPITOLUL VII - ADMINISTRATION OF THE COMPANY

Art. 20 shall read as follows:

"Art.20. Statutory financial audit. Internal audit

The Company shall be audited by a statutory financial auditor, be it a legal or natural person, as provided by law. The Company shall hold statutory audits according to the legislation in force. Subject to the special legal provisions, the statutory financial auditors are appointed by the General Meeting of Shareholders for a period of at least 1 year.

The Company shall contract the services of the statutory financial auditor in conformity with the legal provisions. The statutory auditors are required to supervise the company's administration, to check whether the financial statements are prepared according to the law and in conformity with the records, whether such records are maintained on a regular basis, and if the property valuation has been done according to the regulations for financial statements preparation and submission.

The auditors shall present to the general meeting a detailed report on all the above-mentioned matters as well as on and the proposals they deem necessary related to the financial statements and profit distribution.

The General Meeting shall not approve the annual financial statements unless they are accompanied by the statutory auditors' report.

The Company shall organize the internal audit in compliance with the appropriate legal provisions in force. The internal auditors shall report directly to the Board of Directors.

The Internal auditors shall inform the Board members on the irregularities and any law violation or infringement of the Articles of Incorporation which they may encounter and they shall communicate the most important cases to the General Meeting of Shareholders.

Any shareholder is entitled to complain to the internal auditors about the facts that they believe should be checked. The results shall be recorded by the internal auditors on a report to be communicated to the Board of Directors and to the General Meeting, respectively."

President of the Board,
Chief Executive Officer,
ec. Ioan NANI