

QUARTERLY REPORT - Q1 2012

Report date: May 4TH, 2011
 Name of issuing entity: **Antibiotice SA**
 Registered office: Iași, 1 Valea Lupului Street, postal code 707410, <http://www.antibiotice.ro>
 E-mail: actionariat@antibiotice.ro
 Phone/fax no. : **0232 209.000 / 0232 209.633**
 Unique Registration Code in the Trade Register Office: **RO1973096**
 Number of order in the Trade Register: **J22/285/1991**
 Subscribed and paid-up capital: **LEI 56,800,710**
 Regulated market on which the securities issued are traded: **Bucharest Stock Exchange**

The whole activity on the first quarter of 2012 was oriented towards the goals set under the income and expenditure budget and this is reflected in the economic and financial indicators.

Net turnover in the period January - March 2012 was LEI 72,003,965, up 1% over the same period last year. Expressed in euros, the turnover amounted to EUR 16,534,036 (USD 21,725,989).

Operating profit increased by 37%

The operating profit had a positive trend over the analyzed period, reaching the amount of LEI 17,938,328 (EUR 4.1 million, USD 5.4 million) due to an increase in operating income by 2.5% and to dropping operating costs by 5%, as a result of the measures taken for cutting-down operating costs. Operating efficiency has increased from 18.4% in 2011 to 25% in 2012.

Breakdown of financial results, presented in the table below:

| RON | 31.03.2011 | 31.03.2012 | % Δ |
|--|---------------------|---------------------|----------------|
| 0 | 1 | 2 | 3[(2-1)/2] |
| Net turnover | 71,197,019 | 72,003,965 | 1.1% |
| I. OPERATING REVENUES | 75,260,393 | 77,111,242 | 2.5% |
| Material expenses | (16,311,584) | (16,438,985) | 0.8% |
| Energy and water costs | (2,832,553) | (4,416,999) | 55.9% |
| Expenditure on goods | (7,851,442) | (6,271,804) | -20.1% |
| Personnel expenses | (16,342,713) | (16,421,291) | 0.5% |
| Adjustment of tangible and intangible fixed assets | (4,163,340) | (5,185,912) | 24.6% |
| Adjustment of current assets | (1,400,000) | 387,148 | -127.7% |
| Other operating expenses | (13,255,455) | (10,825,071) | -18.3% |
| OPERATING EXPENSES - Total | (62,157,087) | (59,172,914) | -4.8% |
| OPERATING RESULT | 13,103,306 | 17,938,328 | 36.9% |
| <i>Financial income</i> | 5,451,628 | 1,443,060 | -73.5% |
| <i>Financial expenses</i> | (2,122,772) | (3,896,075) | 83.5% |
| FINANCIAL RESULT | 3,328,856 | (2,453,015) | -173.7% |
| CURRENT RESULT | 16,432,162 | 15,485,313 | -5.8% |
| TOTAL REVENUE (account class 7) | 80,712,021 | 78,554,302 | -2.7% |
| TOTAL EXPENSES (account class 6) | (64,279,859) | (63,068,989) | -1.9% |
| GROSS RESULT | 16,432,162 | 15,485,313 | -5.8% |
| <i>Profit tax</i> | (3,162,347) | (2,507,751) | -20.7% |
| NET RESULT OF FINANCIAL YEAR | 13,269,815 | 12,977,562 | -2.2% |

According to their structure, operating expenses registered the following progression:

- Raw materials expenses were up 1% against the first quarter of 2011 while the commodity production value grew by 6%.
- Energy and water costs were up 56%, due to both increased production of goods but mainly to increased prices in the utilities ac compared to the same period of 2011, as follows: 16% electricity, 54% gas, 6 % water.

The gross profit reported was LEI 15.5 million, a result influenced by the growth of the financial expenses that reached LEI 3.9 million.

Company's capital increase by 4.5% - business consolidation

On 31.03.2012, the company's equity amounted to LEI 299,840,300, up 4.5% over the beginning of the year.

| | 31.12.2011 | 31.03.2012 | % |
|--|--------------------|--------------------|-------------|
| 1 | 2 | 3 | 3/2 |
| ACTIVE IMOBILIZATE | | | |
| FIXED ASSETS | | | |
| <i>I. Intangible fixed assets</i> | 1,652,572 | 1,778,751 | 8% |
| <i>II. Tangible fixed assets</i> | 173,690,051 | 169,645,760 | -2% |
| <i>III. Financial assets</i> | 21,235 | 53,496 | 152% |
| FIXED ASSETS - TOTAL | 175,363,858 | 171,478,007 | -2% |
| CURRENT ASSETS | | | |
| <i>I. Stocks</i> | 41,932,333 | 51,307,700 | 22% |
| Raw materials and consumables | 10,428,336 | 15,704,838 | 51% |
| Production in progress | 1,476,207 | 1,771,073 | 20% |
| Finished products and goods | 29,952,754 | 33,591,297 | 12% |
| Advances for stock purchases | 75,036 | 240,492 | 221% |
| <i>II. Receivables</i> | 226,374,445 | 226,004,854 | 0% |
| <i>IV. Cash at bank and in hand</i> | 5,339,857 | 3,986,077 | -25% |
| CURRENT ASSETS - TOTAL | 273,646,635 | 281,298,631 | 3% |
| PREPAYMENTS | 302,678 | 236,314 | -22% |
| LIABILITIES PAYABLE WITHIN ONE YEAR | 142,722,089 | 133,769,992 | -6% |
| LIABILITIES PAYABLE IN MORE THAN ONE YEAR | 0 | 0 | - |
| PROVISIONS | 14,594,637 | 14,594,637 | 0% |
| INCOME IN ADVANCE | 4,938,038 | 4,808,023 | -3% |
| TOTAL SHAREHOLDERS' EQUITY | 287,058,407 | 299,840,300 | 4.5% |
| <i>Share capital</i> | 56,800,710 | 56,800,710 | 0% |
| Revaluation reserves | 108,124,295 | 108,124,295 | 0% |
| <i>Reserves</i> | 103,797,503 | 103,797,504 | 0% |
| <i>Reported result</i> | (643,127) | 18,140,229 | |
| <i>Result of the fiscal year</i> | 20,298,909 | 12,977,562 | -36% |
| <i>Profit distribution</i> | 1,319,883 | - | |

The structure of items in the balance sheet is represented by the values of these groups of assets and liabilities within normal limits relative to the volume of activity of the company, as follows:

- fixed assets reported a 2% decline based on recording costs for depreciation.
- current assets increased on average by 3% over earlier this year, with the following evolution :
 - stocks (22%)- in view of providing the necessary supplies for the summer period when production activity will cease in order to perform maintenance work;

- receivables have recorded no variation since the end of 2011, their collection representing a priority policy.
- debt has declined 6% over the same period last year, therefore such amounts owed to credit institutions fell by 11% due to cutting-down the cost of debt;

The company has not accumulated debt for more than a year. The company has paid all obligations due to the state budget.

The level of cash and cash equivalents at the start of the interval amounted to 5.3 million LEI. Cash proceeds from operating activities were 73.5 million LEI. The cash payments to suppliers of goods were worth LEI 41.9 million and those to and on behalf of employees reached 17.6 million LEI.

Cash payments worth of 2.34 million lei were made, representing profit tax, local taxes and bank interest.

No proceeds from investment activities were reported; nevertheless payments for tangible and intangible assets were made, amounting to 3.2 million LEI.

Out of financing activities 9.4 million LEI were repaid, representing short-term loans.

At the end of the quarter, the level of cash and cash equivalents reached 4 million LEI.

| Name of the indicator | 31.12.2011 | 31.03.2012 |
|--|------------|------------|
| Current liquidity (Current Assets/up to 1 year) | 1.92 | 2.10 |
| Turnover speed for client debit items (Average balance clients/Turnover) x no. of days/ | 312 days | 306 days |
| Rotation speed of fixed assets (Turnover/ Fixed assets) | 1.61 | 1.68 |

- Current liquidity on Q1 2012 has reported higher values as compared to Q1 2011, due to cutting down current debt;

- Turnover speed for client debit items has reported 6 day decrease - translated in value - accounts for a reduction of 3.3 million of balance due by clients, thanks to a consistent policy of collecting due receivables.

The total value of production obtained on Q1 2011 amounted to 73,657,272 LEI, whereas Q1 2012 production amounted to 78,072,484 LEI, on the rise by 6%.

The financial statements on Q1 haven't been audited by the financial auditor, this operation being performed in conformity with the contract on the first semester I.

Vice-president of the Management Board,
Director General,
ec. Ioan NANI

Financial Director,
ec. Paula Luminita Coman