

S.C. ZENTIVA S.A.

**Report of the Board of Directors
for the Ist semester, 2015**

Reported date	: 30.06.2015
Company name	: S.C. ZENTIVA S.A.
Location of the registered office	: 50 Theodor Pallady boulevard, Bucharest
Tel. / Fax	: 021-304.72.00 / 021-345.40.04
Tax registration code	: RO 336206
<i>Trade Register order number</i>	: <i>J/40/363/1991</i>
Subscribed and paid-in social capital	: 41 696 115 lei

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ZENTIVA S.A.
STATEMENT OF COMPREHENSIVE INCOME
June 30, 2015

(all amounts are expressed in new lei ("RON"), unless otherwise provided)

	Note	30.06.2015	30.06.2014
		RON	RON
Sales of goods	5.1.	183.505.460	177.996.149
Rendering of services	5.1	25.017.353	21.284.836
Rental income		-	61.136
Other		467.725	787.970
Turnover	5,1	208.990.538	200.130.092
Other operating income	6,1	1.974.801	1.681.965
Changes in inventories of finished goods and work in progress		17.542.664	938.121
Raw materials and consumables used	5,2	(131.318.944)	(99.927.552)
Employee benefits expenses	6,5	(23.841.262)	(23.498.546)
Depreciation, amortisation and impairment		(4.587.165)	(4.222.886)
Marketing and advertising expenses	6,6	(7.229.107)	(6.593.902)
Rental expenses		(1.975.786)	(1.913.046)
Provisions		(1.867.150)	(106.693)
Other operating expenses	6,2	(33.538.397)	(32.687.360)
Operating profit		24.150.191	33.800.192
Financial Income	6,4	325.338	833.226
Financial Expenses	6,3	(773.357)	(276.136)
Profit before tax		23.702.172	34.357.282
Income Tax Expense	7,1	(5.804.460)	(7.181.330)
Profit after tax (A)		17.897.712	27.175.952
Other comprehensive income:			
Revaluation of land and buildings at fair value		-	-
Deferred tax		-	-
Actuarial gains/losses in relation to employee benefits		-	-
Other comprehensive income net of tax (B)		-	-
Total income after tax (A) + (B)		17.897.712	27.175.952
Number of shares		416.961.150	416.961.150
Earnings per share (RON / share)		0.042928	0.06518

Financial statements for the period ended on June 30, 2015 are not audited.

ZENTIVA S.A.

STATEMENT OF FINANCIAL POSITION

for the period ended on June 30, 2015

(all amounts are expressed in new lei ("RON"), unless otherwise provided)

	Note	30.06.2015	31 December 2014
Assets			
Non current assets			
Property, plant and equipment	9	99.818.308	96.179.069
Intangible assets	10	501.895	604.330
		100.320.202	96.783.399
Current assets			
Inventories	12	65.032.318	45.306.380
Trade and other receivables	13	194.691.702	207.817.825
Other financial assets	11	-	-
Cash and cash equivalents	14	62.630.167	38.551.002
		322.354.188	291.675.207
Total assets		422.674.390	388.458.606
Capital and reserves			
Share capital, including			
Issued share Capital	15,1	41.696.115	301.304.302
Inflation related to share capital		41.696.115	41.696.115
Share premium, including:		-	259.608.187
Share premium at nominal value	15,1	24.964.506	24.964.506
Inflation related to share premium		9.863.684	9.863.684
Legal and other reserves	15,2	15.100.822	15.100.822
Revaluation reserve		98.513.761	114.270.874
Retained earnings / (Accumulated Losses)		2.278.799	2.278.799
		77.169.021	(146.144.986)
Total equity		244.622.201	296.673.494
Non current liabilities			
Employee benefit liability	18	1.108.000	1.108.000
Other long - term liabilities		27.836	37.162
Deferred tax liability	7,2	1.636.472	1.636.472
Non-Current Provisions	17	12.803.539	10.936.345
Total Non - Current Liabilities		15.575.847	13.717.979
Current liabilities			
Trade accounts payable	19	55.609.043	40.116.037
Income taxes payable		1.163.747	899.112
Other current liabilities	19	94.376.934	25.725.367
Short-term provisions	17	11.326.617	11.326.617
Total current liabilities		162.476.342	78.067.133
Total liabilities		178.052.188	91.785.112
Total liabilities and equities		422.674.390	388.458.606

Financial statements for the period ended on June 30, 2015 are not audited.

Indirect method

	Financial year	
	June 30, 2015	December 31, 2014
Cash flows from operating activities:		
Net profit before taxation and extraordinary elements	23.702.172	64.446.843
<i>Adjustments for:</i>		
Depreciation and amortization of fixed assets	4.587.165	8.796.016
Net movement in other provisions	3.567.482	6.856.047
Loss / profit from the sale of assets (fixed assets)	(1.433)	21.812
Net income / expenditures from interests	(459.918)	(635.478)
Expenditures regarding pension debts and similar	-	97.000
Exploitation profit before changes in the circulating assets	31.395.468	79.582.240
Decrease / (Increase) of trade receivables and of other nature	13.126.124	(30.328.517)
Decrease / (Increase) of stocks	(19.725.939)	5.458.128
(Decrease) / Increase of trade debts and of other nature	84.409.209	331.478
Paid income taxes	(5.539.825)	(13.581.620)
Pension liabilities paid	-	(109.000)
Cash from operating activities	103.665.037	41.352.709
Cash flows from investment activities:		
Payments for the acquisition of tangible and intangible assets	(7.848.226)	(14.069.562)
Cashing from the sale of tangible assets	7.064	56.243
Net cash flows from investment activities	(7.841.162)	(14.013.319)
Cash flows from financing activities:		
Interest received	459.918	635.478
Cash transferred for dividends payable to Central Depository	-	(296.396)
Dividends paid	(72.204.628)	(28.293.085)
Net cash flows from financing activities	(71.744.710)	(27.954.003)
Net decrease in cash and cash equivalents	24.079.165	(614.613)
Cash and cash equivalents at the beginning of the financial year	38.551.002	39.165.615
Cash and cash equivalents at the end of the financial year	62.630.167	38.551.002

ZENTIVA S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
on June 30, 2015
(all amounts are expressed in new lei ("RON")), unless otherwise provided)

Current year

Shareholders' equity	Balance on December 31, 2014	Increase		Decrease		Balance on June 30, 2015
		Total, out of which	Through transfer	Total, out of which	Through transfer	
Subscribed capital	41.696.115	-	-	-	-	41.696.115
Hyperinflation adjustment of capital	259.608.187	-	-	259.608.187	259.608.187	-
Share premiums	9.863.684	-	-	-	-	9.863.684
Hyperinflation adjustment of share premiums	15.100.822	-	-	-	-	15.100.822
Reevaluation reserves	2.278.799	-	-	-	-	2.278.799
Legal reserves	8.339.223	-	-	-	-	8.339.223
Other reserves	155.795.009	-	-	15.848.724	15.848.724	139.946.285
Other shareholders' equity elements	328.335	-	-	-	-	(328.335)
Reported result, except for the reported result from adopting IAS 29 for the first time	23.823.128	54.242.886	54.242.886	68.238.117	68.238.117	9.827.897
Reported result from adopting IAS for the first time	-	-	-	-	-	-
Financial year profit or loss	273.746.023	-	-	273.746.023	273.746.023	-
Profit distribution	54.242.886	17.897.712	-	54.242.886	54.242.886	17.897.712
Total shareholders' equities	296.673.494	72.140.598	54.242.886	138.329.727	138.329.727	244.622.201

The legal reserve is set in accordance with the provisions of the Companies Law, according to which, at least 5% of the annual accounting profit is transferred within the legal reserves until their balance reaches 20% of the company's social capital. If this reserve is used fully or partially to cover losses or to distribute in any form (such as to issue new shares according to the Companies Law), it becomes taxable. The company's management does not estimate it shall use its legal reserve in such a way that it becomes taxable. The financial statements for the year concluded on December 31, 2012 are the first the company has elaborated in accordance with the IFRS.

The difference between the social capital recognized according to the Romanian accounting standards and the one recognized according to the is explained by the fact that in accordance with the IFRS, the social capital was adjusted for inflation until December 31, 2003. Romania was considered as having a hyperinflationist economy until December 31, 2003 and hyperinflation adjustment is regulated by IAS 29 "Financial reporting in hyperinflationist economies". According to the accounting standards previously applied, no such adjustment was recorded. Hyperinflation adjustment of the social capital is 259.608.187 RON.

Hyperinflation adjustment applies to capital premium as well, which leads to an adjustment of 15.100.822 RON. According with AGA decision from 29.04.2015 it was approved to cover the accounting loss in amount of 273.746.023 RON which is the result of adjustments of switching of IFRS with the amount of 259.608.187 recorded in the account 1028 representing „ capital adjustments” and with the amount of 14.137.836 from the account 1178 representing „earnings derived from the date when the application IFRS fair value as deemed cost.

ZENTIVA S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
on June 30, 2015
(all amounts are expressed in new lei ("RON"), unless otherwise provided)

According to the Romanian accounting standards, the company reevaluated the buildings and lands on December 31, 2005, December 31, 2008 and December 31, 2014 and recognized the lands and buildings at their right value.. On transition, the company decided to use as deemed cost the values assessed on those dates. Therefore, reserves from reevaluation resulted after previous evaluations were reclassified in the result reported on the date of the transaction (January 1, 2011).

ZENTIVA S.A.
NOTES TO THE FINANCIAL STATEMENTS
for the period ended on June 30, 2015
(all amounts are expressed in new lei ("RON")), unless otherwise provided)

NOTE 1: NON CURRENT ASSETS

Non current assets	Gross value						Value of adjustments (depreciation through amortization and provisions)			Net accounting value on 30.06.2015										
	Balance on December 31, 2014	Inflows	Outflows, transfers	Balance on June 30, 2015	Balance on December 31, 2014	Adjustments in year in year	Decreases reversals	Balance on 30.06.2015												
									1		2	3	4=1+2-3	5	6	7	8=5+6-7	9 = 4-8		
0																				
Establishment and development expenses	63.532	-	-	63.532	63.532	-	-	-	63.532	-	-	-	63.532	-	-	-	-	-	-	-
Other intangible assets	3.496.583	335.437	-	3.832.020	3.404.127	-	-	53.136	3.457.263	-	-	-	3.457.263	-	-	-	-	-	-	374.757
Advances and intangible assets in progress	942.457	2.877	387.615	557.719	430.582	-	-	-	430.582	-	-	-	430.582	-	-	-	-	-	-	127.137
Total intangible assets	4.502.572	338.314	387.615	4.453.271	3.898.241	-	-	53.136	3.951.377	-	-	-	3.951.377	-	-	-	-	-	-	501.894
Lands	11.421.899	-	-	11.421.899	991.003	-	-	24.010	1.015.013	-	-	-	1.015.013	-	-	-	-	-	-	10.406.886
Constructions	48.073.336	6.445	-	48.079.781	294.941	-	-	433.659	725.383	-	-	3.217	725.383	-	-	-	-	-	-	47.354.398
Technological equipments	124.986.851	4.986.812	-	129.973.663	97.569.792	-	-	3.764.718	101.334.510	-	-	-	101.334.510	-	-	-	-	-	-	28.639.153
Other installations, tools and furniture	8.039.901	385.578	-	8.425.479	7.188.298	-	-	311.642	7.499.940	-	-	-	7.499.940	-	-	-	-	-	-	925.539
Advances and tangible assets in progress	10.752.765	8.255.308	5.464.092	13.543.981	1.051.646	-	-	-	1.051.646	-	-	-	1.051.646	-	-	-	-	-	-	12.492.332
Total tangible assets	203.274.752	13.634.143	5.464.092	211.444.803	107.095.683	-	-	4.534.029	111.626.495	-	-	3.217	111.626.495	-	-	-	-	-	-	99.818.308
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	207.777.324	13972.457	5.851.707	110.993.924	4.587.165	-	-	3.217	96.783.400	-	-	115.577.872	96.783.400	-	-	-	-	-	-	100.320.202

ZENTIVA S.A.
NOTES TO THE FINANCIAL STATEMENTS
for the period ended on June 30, 2015
(all amounts are expressed in new lei ("RON"), unless otherwise provided)

NOTE 1: NON CURRENT ASSETS ACTIVE IMOBILIZATE (continuation)

Tangible assets

Reevaluation

On October 31, 2005, a reevaluation of the lands and buildings belonging to the company was undergone by an independent expert reevaluator.

The reevaluation consisted of the adjustment of the net book value of the items included in these categories at fair value considering their physical condition and market value.

On December 31, 2011, a reevaluation of the buildings belonging to the company was undergone by an expert evaluator, in accordance with OMF 3055/2009 and the national evaluation standards issued by ANEVAR. The reevaluation focused on adjusting the net book value of the elements included in these categories at fair value considering their physical condition and market value using the replacement cost method.

On December 31, 2014, a reevaluation of the buildings belonging to the company was undergone by an expert evaluator, in accordance with the national evaluation standards issued by ANEVAR. The reevaluation focused on adjusting the net book value of the elements included in these categories at fair value considering their physical condition and market value using the replacement cost method.

Assets held in financial leasing or purchased in installments

Not the case.

Others

On June 30, 2015, the balance of depreciation adjustments for tangible assets is worth 2.064.095 RON (December 31, 2014: 2.059.724 RON). It includes depreciation adjustments for land in the amount of 991.003 RON, depreciation adjustments for investments in progress of 1.051.649 RON and depreciation adjustments for technical installations and other tangible assets proposed for disposal in the amount of 21.443 RON.

NOTE 2: PROVISIONS

Name of provision	Balance at the beginning of the financial year	Transfer into account	Transfer from the account	Balance on June 30, 2015
Other provisions for risks and charges	2.336.888	1.971.710	-	4.308.598
Provisions for taxes	12.146.398	85.482	-	12.231.880
Provisions for litigation	3.453.204	0	227.542	3.225.662
Provisions for restructuring	37.500	37.500	0	75.000
Provisions for the environment	5.925.487	-	-	5.925.487
Provisions for pensions and other obligations	1.108.000	-	-	1.108.000
	25.007.477	2.094.492	227.542	26.874.627

NOTE 3: PROFIT DISTRIBUTION (LOSS)

Not applied for the financial year ended on June 30, 2015.

NOTE 4: ACCOUNTS RECEIVABLE AND PAYABLE

Receivables

Current year	Balance on June 30, 2015	Liquidity term	
		Under 1 year	Over 1 year
Trade receivables	179.595.485	179.595.485	-
Amounts to be received from related parties	-	-	-
Amounts to be received from entities to which the company is linked by virtue of participating interests	-	-	-
Other receivables	18.032.723	18.032.723	-
Receivable provisions	(660.690)	(660.690)	-
Provisions of other receivables	(2.721.957)	(2.721.957)	-
	194.245.561	194.245.561	-

Previous year	Balance on December 31, 2014	Liquidity term	
		Under 1 year	Over 1 year
Trade receivables	199.322.916	199.322.916	-
Amounts to be received from related parties	-	-	-
Amounts to be received from entities to which the company is linked by virtue of participating interests	-	-	-
Other receivables	11.474.854	11.474.854	-
Receivable provisions	(660.690)	(660.690)	-
Provisions of other receivables	(2.721.957)	(2.721.957)	-
	207.415.123	207.415.123	-

On June 30, 2015 doubtful trade receivables in the amount of 660.690 RON (2014: 660.690 RON) were adjusted for depreciation. For other receivables recorded in account 461 (escow Cascade) were adjusted by the amount 2.721.957 RON from June 30, 2015. Movements in receivables depreciation adjustments were the following:

	December 31, 2014	June 30, 2015
Initial balance	924.172	3.382.647
Increases during the year – other receivables debtors	2.477.144	-
Reversals during the year	(18.669)	-
Final balance	3.382.647	3.382.647

NOTE 4: ACCOUNTS RECEIVABLE AND PAYABLE (CONTINUATION)

Payables

Current year	Balance on June 30, 2015	Maturity		
		Under 1 year	1 – 5 years	Over 5 years
Advances received in the account of orders	123.746	123.746	-	-
Trade payables - suppliers	55.485.297	55.485.297	-	-
Amounts owed to affiliated entities	-	-	-	-
Other amounts to be paid	95.540.681	95.540.681	-	-
	151.149.724	151.149.724	-	-

Previous year	Balance on December 31, 2014	Maturity		
		Under 1 year	1 – 5 years	Over 5 years
Advances received in the account of orders	142.465	142.465	-	-
Trade payables - suppliers	40.767.453	40.767.453	-	-
Amounts owed to affiliated entities	-	-	-	-
Other amounts to be paid	25.830.598	25.830.598	-	-
	66.740.516	66.740.516	-	-

The line representing other amounts to be paid is detailed in the following table:

Current year	Balance on June 30, 2015	Maturity		
		Under 1 year	1 – 5 years	Over 5 years
Wages and related liabilities	9.370.625	9.370.625	-	-
Debts to shareholders	80.291.740	80.291.740	-	-
Other taxes	5.876.865	5.876.865	-	-
Other debts	1.451	1.451	-	-
	95.540.681	95.540.681	-	-

Previous year	Balance on December 31, 2014	Maturity		
		Under 1 year	1 – 5 years	Over 5 years
Wages and related liabilities	8.764.724	8.764.724	-	-
Debts to shareholders	10.346.906	10.346.906	-	-
Other taxes	6.717.517	6.717.517	-	-
Other debts	1.451	1.451	-	-
	25.830.598	25.830.598	-	-

NOTE 5: ACCOUNTING PRINCIPLES, POLICIES AND METHODS

No significant changes occurred in the company's accounting policies and methods during the financial year concluded on June 30, 2015, compared to the accounting policies presented on December 31, 2014.

NOTE 6: PARTICIPATIONS AND FINANCING SOURCES

Social capital

	Balance on December 31, 2014	Balance on June 30, 2015
	Number	Number
Ordinary shares subscribed capital	416.961.150	416.961.150

	December 31, 2014	June 30, 2015
	RON / share	RON / share
Ordinary shares nominal value	0,1	0,1

	December 31, 2014	June 30, 2015
	RON	RON
Social capital value	41.696.115	41.696.115

The company's social capital is fully paid-in on June 30, 2015 and December 31, 2014.

Redeemable shares

The company does not own redeemable shares on June 30, 2015 and December 31, 2014.

Bonds

The company does not have bonds issued on June 30, 2015 and December 31, 2014

Ownership structure

	Balance on December 31, 2014	%	Balance on June 30, 2015	%
Venoma Holdings Limited	21.257.048	50,98%	21.257.048	50,98%
ZENTIVA NV	9.977.117	23,93%	9.977.117	23,93%
Sanofi-Aventis Europe	2.805.800	6,73%	2.805.800	6,73%
Other minority shareholders	7.656.150	18,36%	7.656.150	18,36%
	41.696.115	100%	41.696.115	100%

In March 2009, Grupul farmaceutic Sanofi –Aventis pharmaceutical group acquired the shares of Zentiva Group. During 2009 and until June 30, 2015, Sanofi- Aventis Europe acquired 6,73 % of the shares of Zentiva SA from minority shareholders.

NOTE 7: INFORMATION ON EMPLOYEES AND MEMBERS OF THE ADMINISTRATION, MANAGEMENT AND SUPERVISION BODIES

Administrators and managers

During the financial years ended on June 30, 2015 and June 30, 2014, the company paid the following indemnities to the members of the Board of Directors ("BoD"), executive and supervision management:

	Financial year ended on:	
	June 30, 2014	June 30, 2015
Members of the BoD	27.000	27.000
Managers		
- executive management	-	-
	27.000	27.000

The company has no payment obligations to former members of the BoD and the executive and supervision management on June 30, 2015 and December 31, 2014.

At the end of the financial year, there are no future warranties or obligations taken over by the company in the name of the administrators or managers.

Employees

The average number of employees on June 30, 2015 and December 31, 2014 is the following:

	December 31, 2014	June 30, 2015
Average number of employees	487	503
	487	503

Expenditures with wages and related taxes recorded during the financial years concluded on June 30, 2015 and June 30, 2014 are the following:

	Financial year ended on:	
	June 30, 2013	June 30, 2014
Expenditures with wages	18.724.757	19.327.478
Expenditures regarding social insurances	4.773.789	4.513.784
	23.498.546	23.841.262

NOTE 8: MAIN FINANCIAL AND ECONOMIC RATIOS

	Financial year ended on:	
	June 30, 2014	June 30, 2015
1. Liquidity ratios		
Current ratio	3.4	2.1
Acid test	2.7	1.7
2. Risk ratios		
Gearing ratio	0%	0%
Interest cover ratio	n/a	n/a
3. Activity ratios		
Stock turnover	3.50	3.74
Number of stock days	51	98
Receivables turnover	160	157
Payables turnover	46	42
Fixed assets turnover	2.14	2.08
Total assets turnover	0.55	0.49
4. Profitability ratios		
Return on capital employed	13%	10%
Gross margin from sales	17%	12%
5. Profit per share		
Earning per share	0,065	0,043
Ratio of the share market price and earning per share	18.06	44.26

NOTE 9: OTHER INFORMATION

a) Information on the company

SICOMED S.A. Bucuresti ("Sicomed") was founded in 1962 as Intreprinderea de Medicamente BUCURESTI (Drug Enterprise BUCHAREST) ("IMB"). The current office of the company is on 50 Theodor Pallady boulevard, Bucharest. The company is registered in the Trade Register under number J40/363/1991.

In 1990, Sicomed became a joint stock company by incorporating and taking over the entire property of the former IMB in accordance with the Governmental Decision. The initial social capital was the result of the difference between the assets, including specific evaluations of the land and buildings doanted by the State to the company, in accordance with the Governmental Decision, and the liabilities held on the same date.

Beginning with January 24, 2006, the company changed its name from Sicomed SA to Zentiva SA.

Its main activity is represented by the manufacture and marketing of pharmaceuticals and drugs for human use.

NOTE 9: OTHER INFORMATION (continuation)

b) Information on the relations with related parties, subsidiaries and associates

Details on related parties:

Company name	Nature of relationship	Type of transactions	Country of origin	Registered office
Zentiva a.s., Praha	Member of the Zentiva Group	Purchasing goods and services / Revenue from services	Czech Republic	Prague
Zentiva Group Praha a.s.	Member of the Zentiva Group	Services procurement	Czech Republic	Prague
Zentiva International, a.s. – Bucharest branch	Branch of Zentiva International a.s.	Sale of Goods and Services	Slovakia	Romania
Zentiva a.s., Hlohovec	Member of the Zentiva Group	Purchasing goods and services / Revenue from services	Slovakia	Hlohovec
Sanofi-Aventis Germany	Member of the Sanofi Group	Procurement services, selling goods	Germany	Frankfurt
Carraig Insurances Limited	Member of the Sanofi-Aventis Group	Insurances	Ireland	Dublin
Zentiva Saglik Urunleri	Member of the Zentiva Group	Procurement of goods and services / provision of services	Turkey	Istanbul
Sanofi Winthrop Industries	Member of the Sanofi Group	Sale goods / procurement of goods and services	France	Gentilly Cedex
Sanofi Aventis SA	Member of the Sanofi-Aventis Group	Loan grant/Recharge costs	France	Antony
Sanofi-Aventis Romania SRL	Member of the Sanofi-Aventis Group	Recharge costs Services procurement	Romania	Bucharest
Sanofi Aventis Group	Member of the Sanofi-Aventis Group	Services procurement	France	Antony
Sanofi Aventis Bulgaria eood	Member of the Sanofi-Aventis Group	Services	Bulgaria	Sofia
Sanofi-Aventis Private Co. Ltd.	Member of the Sanofi-Aventis Group	Services	Hungary	Budapest
Sanofi India Limited	Member of the Sanofi-Aventis Group	Services		
Aventis Pharma Ltd (May&Baker Ltd)	Member of the Sanofi-Aventis Group	Property purchase	UK	Fawdon-Newcastele
Sanofi Chimie	Member of the Sanofi-Aventis Group	Services	India	Mumbai
SANOFI-PRODUTOS FARMACÉUT	Member of the Sanofi-Aventis Group	Services	Portugalia	Porto Salvo
Sanofi-Aventis Spa	Member of the Sanofi-Aventis Group	Services procurement	Italy	Milan

The company is part of the Sanofi- Aventis Group. The consolidated annual financial statements are prepared at the level of the parent-company Sanofi-Aventis France.

The company has shares listed on the Bucharest Stock Exchange.

NOTE 9: OTHER INFORMATION (continuation)

c) The method to convert assets, liabilities, income and expenses from foreign currency to local currency

Monetary items denominated in foreign currency (availability and other similar items, as are bank deposits, receivables and liabilities in foreign currency) must be assessed and reported using the exchange rate of the National Bank of Romania, valid on the date of closure of the financial year. Exchange differences, positive or negative, between the date of filing the claims or liabilities in foreign currency or at the rate they were reported in previous financial statements and the exchange rate of the closing date of the financial year, are recorded under financial income or expenses, respectively.

Transactions made in foreign currencies are translated into lei at an exchange rate valid on the transaction date.

Exchange rates used for the conversion of balances expressed in foreign currency on June 30, 2015 were 1 EURO = 4,4735 RON (December 31, 2014: 1 EURO = 4,4821 RON) respectively 1 USD = 3,9969 RON (December 31, 2014: 1 USD = 3,6868 RON)

d) Information on corporate tax

	Financial year ended on June 30, 2014	Financial year ended on June 30, 2015
Accounting profit	27.175.953	17.897.712
Nontaxable income	(1.730.814)	(227.542)
Non-deductible expenses	19.556.921	18.732.706
Deduction legal reserve	-	-
Taxable profit / (tax loss) of the year	45.002.060	36.402.876
Corporate tax 16%	7.200.330	5.824.460
Tax credit	19.000	20.000
Current corporate tax	7.181.330	5.804.460

	December 31, 2014	June 30, 2015
Corporate tax payable at the beginning of the period	2.290.283	899.112
Corporate tax expense	12.190.449	5.804.460
Paid/compensated corporate tax	(13.581.620)	(5.539.825)
Corporate tax payable at the end of the period	899.112	1.163.747

e) Revenue from sales on activities

	Financial year ended on June 30, 2014	Financial year ended on June 30, 2015
Revenue from product sales	199.160.623	202.730.315
Intercompany services revenue	15.999.169	22.688.118
Other revenues	6.067.873	2.796.704
Trade discounts	(21.097.573)	(19.224.599)
	200.130.092	208.990.538

NOTE 9: OTHER INFORMATION (continuation)

f) Subsequent events

No significant situations exist that are worth mentioning.

g) Extraordinary items and income / accrued expenses

No significant situations exist that are worth mentioning.

h) Rent and leasing expenditures

Commitments on June 30, 2014 (RON)	Under 1 year	Between 1 and 5 years
ALD – operational leasing and ARVAL	154.937	4.137.154
Total commitments	154.937	4.137.154

i) Audit expenditure

There were no contractual costs for audit services in the financial year ended on June 30, 2015.

j) Trade effects (expected and the unmatured)

No significant situations exist that are worth mentioning.

k) The amount received in excess compared to the amount repayable related to debts

No significant situations exist that are worth mentioning.

l) Commitments

There are no significant situations or changes compared to the financial years ended on June 30, 2015 and December 31, 2014 that are worth mentioning.

m) Taxes

The company believes it has paid all taxes, duties and related interest in time and fully.

n) Legal claims

There are no significant situations or changes compared to the financial statements on December 31, 2014 that are worth mentioning.

o) Warranties

No significant situations exist that are worth mentioning.

ECONOMIC-FINANCIAL STATEMENT AND ACTIVITY ANALYSIS ON JUNE 30, 2014

1.1 Balance sheet analysis

Patrimony statements, on main elements, of S.C. ZENTIVA S.A on June 30, 2015 compared to the period ended on December 31, 2014 is the following:

	December	June 30,	Variation	
	31, 2014	2015,	June 30, 2015 compared to	
	RON	RON	RON	- % -
ASSETS				
1. Intangible assets	604.330	501.895	(102.435)	-17%
2. Tangible assets	96.179.069	99.818.308	3.639.239	4%
3. Financial assets	0	0	0	0%
4. Total intangible assets (1+2+3)	96.783.399	100.320.203	3.536.803	3%
5. Stocks	45.306.379	65.032.318	19.725.939	43%
6. Receivables	207.415.123	194.245.560	(13.169.563)	-6%
7. Cash at bank and in hand	38.551.002	62.630.167	24.079.165	62%
8. Total current assets (5+6+7)	291.272.504	321.908.045	30.635.541	11%
9. Expenditures in advance	402.702	446.141	43.439	11%
10. Debts to be paid within a year	66.740.516	151.149.725	84.409.209	26%
11. Net current assets, namely net current debts (8+9-10)	224.934.690	171.204.462	(53.730.228)	-24%
12. Total current assets minus debts (4+11)	321.718.089	271.524.665	(50.193.426)	-16%
LIABILITIES				
13. Debts to be paid in more than a year	37.161	27.836	(9.325)	-25%
14. Provisions for risks and expenditures	25.007.434	26.874.628	1.867.194	7%
15. Social capital	41,696,115	41,696,115	0	0%
16. Hyperinflation adjustments of social capital	259.608.187	-	(259.608.187)	0%
17. Other equity elements	(328.335)	(328.335)	0	0%
18. Capital premiums	24.964.505	24.964.505	0	0%
19. Reserves	166.413.031	150.564.307	(15.848.724)	10%
20. Retained earnings (creditor balance)	23.823.128	9.827897	(13.995.231)	-59%
(debtor balance)	-	-	0	0%
21. Retained earnings from adopting IAS 29(creditor balance)	-	-	-	-
(debtor balance)	273.746.023	-	(273.746.023)	0%
22. Financial year result (creditor balance) profit	54.242.886	17.897.712	(36.345.174)	-67%
23. Profit distribution	0	0	0	0
24. Total equities	296.673.494	244.622.201	(52.051.293)	-18%
25. Capitals - total (17+18+19+20+21-22)	296.673.494	244.622.201	(52.051.293)	-18%
26. Total capitals and long term debts (13+14+25)	321.718.089	271.524.665	(50.193.426)	-16%

- ◆ The data presented above show an increase in the value of fixed assets by 3%. This increase is mostly due to the new investments in progress: Wurster no2 Glatt equipment, chillers optimization, etc.
- ◆ Stocks increased on June 30, 2015 compared to the end of the previous year by 43%, due to the increase of merchandise, raw materials and work in progress.
- ◆ On June 30, 2015 trade receivables decreased compared to the end of the previous year by 6% due to a good management of collecting receivables, due to a good management of increasing sales.

- ◆ The company's cash in hand increased from 38,5 million RON on December 31, 2014 to 62,6 million RON on June 30, 2015 mainly due to the fact that dividends payments for the year 2014 have not been done and due to cash collections from customers.
- ◆ On June 30, 2015, provisions grew mainly due to the founding of provisions *trial batches for products in transfer*.
- ◆ Shareholders equity decreased by 52.0 million RON (-18%) due mainly because the profit booked is for the year 2014 in amount of 54.2 million RON and at the date of 30 June 2015 is half year profit in amount of 17,9 million RON. Related also with the capital we have an decrease at the date of 30 June 2015 compared to December 31 2014 for the reserve as a result for distribution of the dividends in amount of 15,8 million RON
- ◆

1.2 Profit and loss account analysis

	June 30, 2014	June 30, 2015	Variation June 30, 2015 compared to June30,2014	
	RON	RON	RON	- % -
Net turnover	200.130.092	208.990.538	8.860.446	4%
Exploitation revenues	204.515.884	230.213.966	25.698.082	13%
Exploitation expenditures	170.715.691	206.063.776	35.348.085	21%
Exploitation result (profit)	33.800.193	24.150.190	(9.650.003)	-29%
Gross margin	17%	12%		
Financial result profit/ (loss)	557.090	(448.019)	(1.005.109)	-80%
Total revenues	205.349.110	230.539.305	25.190.195	12%
Total expenditures	170.991.837	206.837.133	35.845.296	21%
Gross result (profit)	34.357.283	23.702.172	(10.655.111)	-31%
Corporate tax	7.181.330	5.804.460	(1.376.870)	-20%
Net result (profit)	27.175.953	17.897.712	(9.278.241)	-34%

Exploitation revenues increased by 13%, from 204,5 million RON in the first semester of 2014 to 230,2 million RON in the first semester of 2015.

Exploitation expenditures increased by 21%, from 170,7 million RON in the first semester of 2014 to 206,1 million RON in the first semester of 2015.

The variation of exploitation revenues and expenditures in 2015 RON to an exploitation result for the first semester in 2015 of 17,9 million RON compared to 27,2 million RON in the first semester of 2014.

2.1 Liquidity analysis

On June 30, 2015 no potential risks were identified that could affect the company's liquidity.

3.1 Breaches of financial obligations

No breaches of financial obligations were recorded during the first semester of 2015.

3.2 Rights of securities holders

No significant changes have been recorded for the first semester of 2015 compared to December 31, 2014 in what concerns the rights of securities holders issued by Zentiva SA.

DECLARATION

The financial-accounting statements for the first semester of 2015 were prepared in accordance with OMF 1286/2012 and offer a fair and accurate image of the assets, liabilities, financial position, profit and loss account of S.C. Zentiva S.A. The report of the Board of Directors presents correct and complete information regarding the activity of the SC Zentiva SA company.

General Manager

SIMONA COCOS

Chief Accountant

GEORGETA DANU

