

S.C. TERAPIA DISTRIBUTIE SRL
Cluj-Napoca. 10 Muncii Street

ADMINISTRATORS' REPORT FOR THE YEAR 2010

Summary data on the Company:

Terapia Distributie S.R.L. („the Company”) is incorporated according to unique incorporation certificate at the Register of Companies under no J12/1002/27.05.2002, unique registration number 14657001.

Subscribed and paid in share capital on the 31st of December 2010 is RON 30,000 [INR 422,535], being divided in 3,000 shares with a nominal value of RON 10 / share.

The sole shareholder of Terapia Distributie S.R.L is Terapia S.A. Cluj-Napoca, which holds 100% of the share capital. Terapia S.A. is headquartered in Cluj-Napoca, 124 Fabricii St. District Cluj.

The headquarters of Terapia Distributie S.R.L. is located in 10 Muncii Street, Cluj-Napoca. On 31st of December 2010, The Company has 10 registered branches: one in Cluj-Napoca and nine in the country, in Bucharest, Timisoara, Iasi, Pielesti-Dolj, Galati, Brasov, Constanta.

According to the O.M.F.P. 753 provisions, published in the Official Gazette 443/05-23-2006, Terapia Distributie S.R.L. is categorized as significant tax payer; the management activity of significant tax payers is organized within the General Directorate for Coordination of Significant Tax Payers in Bucharest.

Main activity of S.C. Terapia Distributie S.R.L.:

Wholesale trade of pharmaceutical products, code CAEN 4646.

Financial Statements Overview

The financial statements were issued according to Accounting Law no 82/1991 republished and to the Minister's of Public Finance Order no 3055/2009 for the approval of accounting regulations compliant with European directives with its subsequent amendments and additions.

Based on the mentioned regulations, the effects of accounts consolidation with the ones of the parent company S.C. Terapia S.A. are not presented in these financial statements prepared by the Company. These financial statements, after approval by the Shareholders' General Assembly, are to be submitted to the General Directorate for Coordination of Significant Tax Payers from Bucharest.

The consolidated financial statements are presented by the parent company (Terapia SA).

The Company performs its activity in accordance with the provisions of its statute and with the applicable legislation.

Accounting activity is organized and managed in accordance with the provisions of Accounting Law no 82/1991 with its subsequent amendments and additions, based on the legally issued documents and in accordance with basic accounting principles. The data recorded in the financial statements reflect a true and fair view of the Company's financial position and performance.

The Company keeps and fills the mandatory registers required by the law and a monthly trial balance is prepared in order to check the correctness of the accounting records.

The accounting for operations is done chronologically and systematically, based on supporting documents.

I. PRESENTATION OF THE ACTIVITY AND THE RESULTS FOR THE YEAR 2010

As a consequence of the financial crisis and lack of capital which currently generates situations of insolvency, it can be stated that the business environment in which the Company evolved in 2010 may be considered difficult, so that the economic and financial results achieved must be analyzed accordingly.

The distribution activity is performed through the warehouses located in Cluj-Napoca, Pielesti-Dolj, Galati, Brasov, Timisoara, Iasi and Constanta and consists in selling pharmaceutical products on the domestic market.

In 2010, the Company faced a difficult situation: company sales decreased, as a consequence of the global financial crisis in general and those on the pharmaceutical market in Romania in particular; it was affected the ability to pay from the beneficiaries of products which has a low purchase power and the financing processes from the State budget and from the health insurance budget for compensated or free drugs was very difficult.

In the light of these difficulties, the net turnover of the Company over the entire year 2010 was at the level of RON 48,916,989 [INR 692,875,198], decreasing as compared to prior year. This turnover was achieved almost for 73% by selling pharmaceutical products on the domestic market. The net result of the Company – accounting profit - amounting to RON 644,336 [INR 9,126,572], indicates a difficult context of the Company's operation in 2010.

The prices for human drugs sold on the basis of medical prescription are settled and adjusted under the control of the Health Ministry, based on the national currency – EUR exchange rate evolution. For drugs sold without a medical prescription (OTC) and nutritional supplements, the prices are freely established based on the market conditions.

The company began the first phase of the project to outsource storage and customers delivery services by signing the contract for services with SC A & A Medical S.R.L. Bucharest; this company will gradually take over the storage and the delivery activities for Terapia Distributie. Terapia Distributie warehouses will be closed and removed , new offices for billing will be opened. This will result in the restructuring of 45 positions and collective dismissal of employees occupying the positions, as per report no. 1388/25.11.2010, approved by the company's board of directors.

This strategy is based on reducing the costs while maintaining economic efficiency.

Place: Bucharest

Dated : March 3, 2011

II. PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

1. BALANCE SHEET AS OF 31 DECEMBER 2010

The Company's financial position as of 31st of December 2010 is the following:

| Description | Balance as at 31.12.2009 | Balance as at 31.12.2010 |
|--|-----------------------------|-----------------------------|
| | IN RON | IN RON |
| A. NON-CURRENT ASSETS (TOTAL) | 109,571 | 91,679 |
| I. Intangible assets | | |
| II. Tangible assets | 77,371 | 59,479 |
| III. Financial assets | 32,200 | 32,200 |
| A. CURRENT ASSETS (TOTAL) | 40,338,870 | 34,254,932 |
| I. Inventories | 3,547,207 | 3,267,060 |
| II. Receivables | 34,459,054 | 27,000,474 |
| III. Short run current financial investments | 134,937 | 332,541 |
| IV. Cash and bank accounts | 2,197,672 | 3,654,857 |
| | | |
| C. PREPAYMENTS | 48,551 | 49,772 |
| | | |
| D. CURRENT LIABILITIES | 54,725,887 | 47,335,272 |
| | | |
| E. NET CURRENT ASSETS/CURRENT LIABILITIES | (14,338,466) | (13,030,568) |
| | | |
| F. TOTAL ASSETS MINUS CURRENT LIABILITIES | (14,228,895) | (12,938,889) |
| | | |
| G. NON CURRENT LIABILITIES | - | - |
| | | |
| H. PROVISIONS | 23,884 | 669,554 |
| | | |
| I. DEFERRED INCOME | - | - |
| | | |
| J. CAPITAL AND RESERVES | | |
| I. Subscribed and paid capital | 30,000 | 30,000 |
| II. Share premiums | | |
| III. Revaluation reserves | | |
| IV. Reserves | 6,000 | 6,000 |
| V. Profit carried forward | 3,296,205 | (14,288,779) |
| VI. Profit of the financial period | (17,584,984) | 644,336 |
| Equity (total) | (14,252,779) | (13,608,443) |
| CAPITAL – TOTAL | (14,252,779) | (13,608,443) |

IN INR

| Description | Balance as at 31.12.2009 | Balance as at 31.12.2010 |
|--|-----------------------------|-----------------------------|
| | IN INR | IN INR |
| A. NON-CURRENT ASSETS (TOTAL) | 1,543,254 | 1,291,254 |
| I. Intangible assets | | |
| II. Tangible assets | 1,089,732 | 837,732 |
| III. Financial assets | 453,521 | 453,521 |
| A. CURRENT ASSETS (TOTAL) | 568,153,099 | 482,463,831 |
| I. Inventories | 49,960,662 | 46,014,930 |
| II. Receivables | 485,338,789 | 380,288,366 |
| III. Short run current financial investments | 1,900,521 | 4,683,676 |
| IV. Cash and bank accounts | 30,953,127 | 51,476,859 |
| | | |
| C. PREPAYMENTS | 683,817 | 701,014 |
| | | |
| D. CURRENT LIABILITIES | 770,787,141 | 666,693,972 |
| | | |
| E. NET CURRENT ASSETS/CURRENT LIABILITIES | (201,950,225) | (183,529,127) |
| | | |
| F. TOTAL ASSETS MINUS CURRENT LIABILITIES | (200,406,972) | (182,237,873) |
| | | |
| G. NON CURRENT LIABILITIES | - | - |
| | | |
| H. PROVISIONS | 336,394 | 9,430,338 |
| | | |
| I. DEFERRED INCOME | - | - |
| | | |
| J. CAPITAL AND RESERVES | | |
| I. Subscribed and paid capital | 422,535 | 422,535 |
| II. Share premiums | | |
| III. Revaluation reserves | | |
| IV. Reserves | 84,507 | 84,507 |
| V. Profit carried forward | 46,425,423 | (201,250,408) |
| VI. Profit of the financial period | (247,675,831) | 9,075,155 |
| Equity (total) | (200,743,366) | (191,668,211) |
| CAPITAL – TOTAL | (200,743,366) | (191,668,211) |

Current assets represent 99.73% of total assets, while non-current assets represent 0.27%, generally keeping the share at the end of the financial year 2009; this fact proves the high liquidity capacity of the assets.

Non-current assets comprise software licenses, electronic equipment, furniture and office equipment, office fittings, financial assets.

Within current assets, the most significant part is represented by receivables – 78.82%. Their value was adjusted with the allowances accounted for them.

Short term debts are mainly trade debt to the parent company, S.C. Terapia S.A. The Company has no non current debt.

The Company's equity has a negative value in 2010 and the company has achieved accounting profit.

2. PROFIT AND LOSS ACCOUNT AS OF 31 DECEMBER 2010.

The situation of the profit and loss account is the following:

| Description | IN RON | |
|--|---------------------|----------------|
| | 2009 | 2010 |
| 1. Net turnover | 68,139,704 | 48,916,989 |
| 2. Operating revenues | 68,174,294 | 48,932,831 |
| 3. Operating expenses | 85,846,662 | 48,352,397 |
| 4. Operation result – profit/(loss) | (17,672,368) | 580,434 |
| 5. Financial revenues | 102,232 | 86,680 |
| 6. Financial expenses | 181 | 6,278 |
| 7. Financial result – profit/(loss) | 102,051 | 80,402 |
| 8. Current result – profit/(loss) | (17,570,317) | 660,836 |
| 9. Extraordinary revenues | - | - |
| 10. Extraordinary expenses | - | - |
| 11. Extraordinary result | - | - |
| 12. Total revenues | 68,276,526 | 49,019,511 |
| 13. Total expenses | 85,846,843 | 48,358,675 |
| 14. Gross result – profit/(loss) | (17,570,317) | 660,836 |
| 15. Income tax | 14,667 | 16,500 |
| 16. Net result – profit/(loss) | (17,584,984) | 644,336 |

| Description | IN INR | |
|--|----------------------|------------------|
| | 2009 | 2010 |
| | IN INR | IN INR |
| 1. Net turnover | 965,151,615 | 692,875,198 |
| 2. Operating revenues | 965,641,558 | 693,099,589 |
| 3. Operating expenses | 1,215,958,385 | 684,878,144 |
| 4. Operation result – profit/(loss) | (250,316,827) | 8,221,445 |
| 5. Financial revenues | 1,448,045 | 1,227,762 |
| 6. Financial expenses | 2,564 | 88,924 |
| 7. Financial result – profit/(loss) | 1,445,482 | 1,138,839 |
| 8. Current result – profit/(loss) | (248,871,346) | 9,360,283 |
| 9. Extraordinary revenues | - | - |
| 10. Extraordinary expenses | - | - |
| 11. Extraordinary result | - | - |
| 12. Total revenues | 967,089,603 | 694,327,351 |
| 13. Total expenses | 1,215,960,949 | 684,967,068 |
| 14. Gross result – profit/(loss) | (248,871,346) | 9,360,283 |
| 15. Income tax | 207,748 | 233,711 |
| 16. Net result – profit/(loss) | (249,079,093) | 9,126,572 |

The net turnover for 2010 amounts to RON 48,916,989 [INR 692,875,198] and consists in sales made to pharmacies, hospitals and other distributors of the domestic market of drug products produced by Terapia S.A., Ranbaxy, Janssen, others and services provided for internal market.

It must be noted that the profit before tax is due to the operating result.

The operating expenses amounting RON 48,352,397 [INR 684,878,144] mainly include the cost of the goods sold RON 30,790,659 [INR 436,128,314]. The personnel expenses – wages and expenses regarding insurance and social security- represent 21.70 % of the total operating expenses.

The Company's management made intense efforts in order to ensure a balanced financial statement; speaking in terms of the global economic crisis such efforts had led in achieving a positive net result in 2010.

Nominally, the labor productivity was RON 335,048 [INR 4,745,722] turnover per person, which decreased compared to prior year.

III. EXPLANATORY NOTE

The Company has no debts due to the State budget or to the local budgets and no wages obligations due. As at 31 December 2010, the outstanding balances for salaries and related taxes, refer to December 2010 contributions, and have a due date in January 2011.

Outstanding balances are recorded only in regards to trade payables, their payment depending mainly on the payment capacity of the Company's clients, which are mostly pharmacies, hospitals and other distributors.

The Company's activity was based on its own sources of finance; no loans were contracted from banks or other financial institutions.

The Company's management obtained trade discounts from goods suppliers during 2010, for the volume of transactions performed with them.

For 2010 the average number of employees is 146.

IV. EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

There were no subsequent events that may affect the financial results of the company.

Signature
Administrators,

Sd/-
Damian Dragos-Eugen

Sd/-
Ungureanu Bogdan

Place: Bucharest
Dated : March 3, 2011

Board of Administrator's Statement SC Terapia Distribuție SRL

The annual financial statements as at 31 December 2010 were prepared for:

Legal entity: TERAPIA DISTRIBUȚIE S.R.L.
District: 12--CLUJ
Address: city CLUJ-NAPOCA, 10 MUNCII Street, phone no. 0264/501.306
Number in the Register of Companies: J12/1002/2002
Property form: 35- - Limited Liabilities Companion
Main activity (code and CAEN class name) 4646- -Wholesale-trade with pharmaceutical products
Fiscal identification code: 14657001

The Company's Administrators, Damian Dragos-Eugen and Ungureanu Bogdan, state through the present that they assume responsibility for preparing the annual Financial Statements as at 31 December 2010 and confirm that:

- a) The accounting policies used to prepare the annual consolidated Financial Statements are in conformity with the accounting regulations in force.
- b) The annual Financial Statements offer a fair image of the financial position, financial performance and other information related to the activity performed ;
- c) The Company will continue its operation on the going concern basis.

Signature
ADMINISTRATORS,

Sd/-
Damian Dragos-Eugen

Sd/-
Ungureanu Bogdan

Place: Bucharest
Dated : March 3, 2011



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Independent Auditors' Report (free translation¹)

To the shareholders of
S.C. Terapia Distributie S.R.L.

Report on the Financial Statements

1 We have audited the financial statements of S.C. Terapia Distributie S.R.L. ("the Company"), which comprise the balance sheet as at 31 December 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies, presenting the following:

- Net assets/Total equity and reserves: 13,608 thousand lei [In INR 191,662 thousands]
- Profit/loss for the year: 664 thousand lei [In INR 9,405 thousands]

Management's Responsibility for the Financial Statements

2 Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Order of the Minister of Public Finance no. 3055/2009 and related amendments and as described in the accounting policies presented in the notes to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing as adopted by the Romanian Chamber of Financial Auditors. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

¹ TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditors' report is provided as a free translation from Romanian which is the official and binding version.

S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

Opinion

6 In our opinion the financial statements have been prepared, in all material respects, in accordance with the Order of the Minister of Public Finance no. 3055/2009 and related amendments and as described in the accounting policies presented in the financial statements.

Emphasis of Matter

7 Without qualifying our opinion, we draw attention that as at 31 December 2010, the Company's equity determined as difference between total assets and total liabilities as per Romanian statutory financial statements as at 31 December 2010 is lower than 50% of its subscribed share capital. In accordance with the Law 31/1990 republished, if a company's net assets are less than half of the subscribed share capital, and unless the shareholders of the company decide the liquidation of the company, then it should take the necessary actions latest by the end of the financial year following the year when the losses were observed, as follows: reduce the share capital by the amount of the losses which could not be offset by the reserves, unless during this period the net assets have been restored to represent at least half of the share capital.

Other Matters

8 This report is made solely to the Company's shareholders. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, for our audit work, for this report, for the report on financial statements and the report on conformity or for the opinion we have formed.

9 The accompanying financial statements are not intended to present the financial position, results of operations and a complete set of notes to the financial statements of the Company in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Romania. Accordingly, the accompanying financial statements are not designed for those who are not informed about Romanian legal and statutory requirements including the Order of the Minister of Public Finance no. 3055/2009 and related amendments.

Report on conformity of the Administrators' Report with the Financial Statements

In accordance with the Order of the Minister of Public Finance no 3055/2009, article no. 318 point 2) we have read the Administrators' Report attached to the accompanying financial statements. The Administrators' Report is not a part of the financial statements. In the Administrators' Report we have not identified any financial information which is not in accordance, in all material respects, with the information presented in the accompanying financial statements.

*Refer to the original signed
Romanian version*

For and on behalf of KPMG Audit SRL:

Sd/-
Aura Giurcaneanu
registered with the Chamber of Financial Auditors
of Romania under no 1517/2003

Sd/-
KPMG AUDIT SRL
registered with the Chamber of Financial
Auditors of Romania under no 9/2001

Bucharest, 3 March 2011

The above translation of the statutory financial statements is provided as a free translation from Romanian which is the official and binding version

S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

BALANCE SHEET AS AT 31 DECEMBER 2010
(in conformity with MOF 3055/2009)

| Description | No row | Balance as at | |
|---|-----------|---------------------------|---------------------|
| | | The beginning of the year | The end of the year |
| IN RON | | | |
| A | B | 1 | 2 |
| A. NON-CURRENT ASSETS | | | |
| I. INTANGIBLE ASSETS | | | |
| 1. Set-up costs (account 201-2801) | 01 | - | - |
| 2. Development costs (account 203-2803-2903) | 02 | - | - |
| 3. Concessions, patents, licenses, trademarks, similar rights and assets and other intangible assets (account 205+208-2805-2808-2905-2908) | 03 | - | - |
| 4. Goodwill (account 2071-2807-2907) | 04 | - | - |
| 5. Advance payments and intangible assets in progress (account 233+234-2933) | 05 | - | - |
| TOTAL: (row 01 to 05) | 06 | - | - |
| II. TANGIBLE ASSETS | | | |
| 1. Freehold land and buildings (account 211+212-2811-2812-2911-2912) | 07 | 22,738 | 15,160 |
| 2. Plant and machinery (account 213+223-2813-2913) | 08 | - | - |
| 3. Other plant, machinery and fixtures (account 214+224-2814-2914) | 09 | 54,633 | 44,319 |
| 4. Advance payments and tangible assets in progress (account 231+232-2931) | 10 | - | - |
| TOTAL: (row 07 to 10) | 11 | 77,371 | 59,479 |
| III. LONG-TERM FINANCIAL INVESTMENTS | | | |
| 1. Investments in subsidiaries (account 261-2961) | 12 | - | - |
| 2. Loans to subsidiaries (account 2671+2672-2964) | 13 | - | - |
| 3. Investments in associates (account 263-2962) | 14 | - | - |
| 4. Loans granted to entities related to the company on the grounds of investments in associates (account 2673 + 2674 - 2965) | 15 | - | - |
| 5. Investments owned as assets (account 265-2963) | 16 | - | - |
| 6. Other loans (account 2675+2676+2677+2678+2679-2966-2968) | 17 | 32,200 | 32,200 |
| TOTAL: (row 12 to 17) | 18 | 32,200 | 32,200 |
| TOTAL NON-CURRENT ASSETS (row 06+11+18) | 19 | 109,571 | 91,679 |
| B. CURRENT ASSETS | | | |
| I. INVENTORIES | | | |
| 1. Raw materials and consumables (account 301+321+302+322+303+323+/-308+351+358+381+328+/-388-391-392-3951-3958-398) | 20 | 4,507 | 5,019 |
| 2. Work in progress (account 331+332+341+/-348-393-3941-3952) | 21 | - | - |
| 3. Finished goods and merchandise (account 345+346+/-348+354+356+357 +361+326+/-368+371+327+/-378-3945-3946-3953-3954-3956-3957-396-397-4428) | 22 | 3,542,700 | 3,262,041 |
| 4. Advance payments for the acquisition of inventories (account 4091) | 23 | - | - |
| TOTAL: (row 20 to 23) | 24 | 3,547,207 | 3,267,060 |
| II. RECEIVABLES | | | |
| 1. Trade receivables (account 2675+2676+2678+2679-2966-2968+4092+411+413+418-491) | 25 | 31,016,112 | 23,205,232 |
| 2. Receivables from non consolidated associated companies (account 451-495) | 26 | 3,332,000 | 3,785,992 |
| 3. Receivables from other equity investments (account 453-495) | 27 | - | - |
| 4. Other receivables (account 425+4282+431+437+4382+441+4424+) | 28 | 110,942 | 9,250 |

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S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Description | No row | Balance as at | |
|--|-----------|---------------------------------|------------------------|
| | | The beginning of the year | The end of the year |
| IN RON | | | |
| A | B | 1 | 2 |
| 4428+444+445+446+447+4482+4582+461+473-496+5187) | | | |
| 5. Subscribed and not paid in share capital (account 456-495) | 29 | | |
| TOTAL: (row 25 to 29) | 30 | 34,459,054 | 27,000,474 |
| III. SHORT TERM INVESTMENTS | | | |
| 1. Investments in subsidiaries (account 501-591) | 31 | - | - |
| 2. Other short term investments (account 505+506+508-595-596-598+5113+5114) | 32 | 134,937 | 332,541 |
| TOTAL (row 31 to 32) | 33 | 134,937 | 332,541 |
| IV. PETTY CASH AND BANK ACCOUNT BALANCES (account 5112+512+531+532+541+542) | | | |
| CURRENT ASSETS - TOTAL (row 24+30+33+34) | 35 | 40,338,870 | 34,254,932 |
| C. ACCRUED EXPENSES (account 471) | 36 | 48,551 | 49,772 |
| D. LIABILITIES: AMOUNTS DUE WITHIN ONE YEAR | | | |
| 1. Debenture loans (account 161+1681-169) | 37 | - | - |
| 2. Amounts owed to credit institutions (account 1621+1622+1624+1625+1627+1682+5191+5192+5198) | 38 | - | - |
| 3. Advance payments received for orders (account 419) | 39 | - | - |
| 4. Trade debts – suppliers (account 401+404+408) | 40 | 399,093 | 352,328 |
| 5. Bills of exchange payable (account 403+405) | 41 | - | - |
| 6. Amounts due to non consolidated associated companies (account 1661+1685+2691+451) | 42 | 52,240,404 | 42,549,306 |
| 7. Amounts due to other equity investments (account 1663+1686+2692+453) | 43 | - | - |
| 8. Other liabilities, including tax and social security contributions liabilities (account 1623+1626+167+1687+2693+421+ 423+424+426+427+4281+431+437+4381+441+4423+ 4428+444+446+447+4481+455+456+457+4581+ 462+473+509+5186+5193+5194+5195+5196+5197) | 44 | 2,086,390 | 4,433,638 |
| TOTAL: (row 37 to 44) | 45 | 54,725,887 | 47,335,272 |
| E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 35+36-45-63) | | | |
| | 46 | (14,338,466) | (13,030,568) |
| F. TOTAL ASSETS LESS CURRENT LIABILITIES (row 19+46) | | | |
| | 47 | (14,228,895) | (12,938,889) |
| G. LIABILITIES: AMOUNTS DUE AFTER ONE YEAR | | | |
| 1. Debenture loans (account 161+1681-169) | 48 | - | - |
| 2. Amounts payable to credit institutions (account 1621+1622+1624+1625+1627+1682+5191+5192+5198) | 49 | - | - |
| 3. Advance payments received for orders (account 419) | 50 | - | - |
| 4. Trade debts – suppliers (account 401+404+408) | 51 | - | - |
| 5. Bills of exchange payable (account 403+405) | 52 | - | - |
| 6. Amounts due to non consolidated associated companies (account 1661+1685+2691+451) | 53 | - | - |
| 7. Amounts due to other equity investments (account 1663+1686+2692+453) | 54 | - | - |
| 8. Other liabilities, including tax and social security contributions liabilities (account 1623+1626+167+1687+2693+421+) | 55 | - | - |

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S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Description | No row | Balance as at | |
|--|------------------|---------------------------------|------------------------|
| | | The beginning of the year | The end of the year |
| IN RON | | | |
| A | B | 1 | 2 |
| 423+424+426+427+4281+431+437+4381+441+4423+ 4428+444+446+447+4481+455+456+457+4581+ 462+473+509+5186+5193+5194+5195+5196+5197) | | | |
| TOTAL: (row 48 to 55) | 56 | - | - |
| H. ACCRUED LIABILITIES | | | |
| 1. Accrued rent and similar obligations (account 1515) | 57 | 23,884 | 43,507 |
| 2. Accrued taxes payable (account 1516) | 58 | - | - |
| 3. Other accrued liabilities and provisions (account 1511+1512+1513+1514+1518) | 59 | - | 626,047 |
| TOTAL ACCRUED LIABILITIES & PROVISIONS (row 57 + 59) | 60 | 23,884 | 669,554 |
| I. DEFERRED INCOME | | | |
| -Investment subsidies (account 475) | 61 | - | - |
| -Deferred income (account 472) total (row 63+64), out of which: | 62 | - | - |
| Amounts to be reversed within 1 year (account 472) | 63 | - | - |
| Amounts to be reversed over 1 year (account 472) | 64 | - | - |
| Negative goodwill (account 2075) | 65 | - | - |
| TOTAL (row 61+62+65) | 66 | - | - |
| J. CAPITAL AND RESERVES | | | |
| I. CAPITAL | | | |
| 1. Subscribed and paid in capital (account 1012) | 67 | 30,000 | 30,000 |
| 2. Subscribed and not paid in capital (account 1011) | 68 | - | - |
| 3. Patrimony (autonomous companies) (account 1015) | 69 | - | - |
| TOTAL (row 67 to 69) | 70 | 30,000 | 30,000 |
| II. PREMIUM RELATED TO CAPITAL (account 104) | 71 | - | - |
| III. REVALUATION RESERVE (account 105) | 72 | - | - |
| IV. OTHER RESERVES | | | |
| 1. Legal reserve (account 1061) | 73 | 6,000 | 6,000 |
| 2. Statutory or contractual capital reserve (account 1063) | 74 | - | - |
| 3. Revaluation reserve (account 1065) | 75 | - | - |
| 4. Other reserves (account 1068) | 76 | - | - |
| TOTAL (row 73 to 76) | 77 | 6,000 | 6,000 |
| Own shares (account 109) | 78 | | |
| Gains from equity instruments (account 141) | 79 | | |
| Losses from equity instruments (account 149) | 80 | | |
| V. OTHER RETAINED EARNINGS (account 117) | Balance C | 3,296,205 | 3,296,205 |
| | Balance D | - | 17,584,984 |
| VI. PROFIT / (LOSS) FOR THE YEAR (account 121) | Balance C | - | 644,336 |
| | Balance D | 17,584,984 | - |
| Profit appropriation (account 129) | 85 | - | - |
| TOTAL EQUITY (row 70+71+72+77-78+79-80+81-82+83-84-85) | 86 | (14,252,779) | (13,608,443) |
| Public patrimony (account 1016) | 87 | - | - |
| TOTAL CAPITAL & RESERVES (row 86+87) | 88 | (14,252,779) | (13,608,443) |

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S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Description | No row | IN INR | |
|---|-----------|------------------------------|------------------------|
| | | The beginning of the year | The end of the year |
| A | B | 1 | 2 |
| A. NON-CURRENT ASSETS | | | |
| I. INTANGIBLE ASSETS | | | |
| 1. Set-up costs (account 201-2801) | 01 | - | - |
| 2. Development costs (account 203-2803-2903) | 02 | - | - |
| 3. Concessions, patents, licenses, trademarks, similar rights and assets and other intangible assets (account 205+208-2805-2808-2905-2908) | 03 | - | - |
| 4. Goodwill (account 2071-2807-2907) | 04 | - | - |
| 5. Advance payments and intangible assets in progress (account 233+234-2933) | 05 | - | - |
| TOTAL: (row 01 to 05) | 06 | - | - |
| II. TANGIBLE ASSETS | | | |
| 1. Freehold land and buildings (account 211+212-2811-2812-2911-2912) | 07 | 320,254 | 213,521 |
| 2. Plant and machinery (account 213+223-2813-2913) | 08 | - | - |
| 3. Other plant, machinery and fixtures (account 214+224-2814-2914) | 09 | 769,479 | 624,211 |
| 4. Advance payments and tangible assets in progress (account 231+232-2931) | 10 | - | - |
| TOTAL: (row 07 to 10) | 11 | 1,089,732 | 837,732 |
| III. LONG-TERM FINANCIAL INVESTMENTS | | | |
| 1. Investments in subsidiaries (account 261-2961) | 12 | - | - |
| 2. Loans to subsidiaries (account 2671+2672-2964) | 13 | - | - |
| 3. Investments in associates (account 263-2962) | 14 | - | - |
| 4. Loans granted to entities related to the company on the grounds of investments in associates (account 2673 + 2674 - 2965) | 15 | - | - |
| 5. Investments owned as assets (account 265-2963) | 16 | - | - |
| 6. Other loans (account 2675+2676+2677+2678+2679-2966-2968) | 17 | 453,521 | 453,521 |
| TOTAL: (row 12 to 17) | 18 | 453,521 | 453,521 |
| TOTAL NON-CURRENT ASSETS (row 06+11+18) | 19 | 1,543,254 | 1,291,254 |
| B. CURRENT ASSETS | | | |
| I. INVENTORIES | | | |
| 1. Raw materials and consumables (account 301+321+302+322+303+323+/-308+351+358+381+328+/-388-391-392-3951-3958-398) | 20 | 63,479 | 70,690 |
| 2. Work in progress (account 331+332+341+/-348-393-3941-3952) | 21 | - | - |
| 3. Finished goods and merchandise (account 345+346+/-348+354+356+357 +361+326+/-368+371+327+/-378-3945-3946-3953-3954-3956-3957-396-397-4428) | 22 | 49,897,183 | 45,944,239 |
| 4. Advance payments for the acquisition of inventories (account 4091) | 23 | - | - |
| TOTAL: (row 20 to 23) | 24 | 49,960,662 | 46,014,930 |
| II. RECEIVABLES | | | |
| 1. Trade receivables (account 2675+2676+2678+2679-2966-2968+4092+411+413+418-491) | 25 | 436,846,648 | 326,834,254 |
| 2. Receivables from non consolidated associated companies (account 451-495) | 26 | 46,929,577 | 53,323,831 |

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S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Description | No row | Balance as at | |
|--|-----------|------------------------------|------------------------|
| | | The beginning of the year | The end of the year |
| A | B | 1 | 2 |
| | | | IN INR |
| 3. Receivables from other equity investments (account 453-495) | 27 | - | - |
| 4. Other receivables (account 425+4282+431+437+4382+441+4424+4428+444+445+446+447+4482+4582+461+473-496+5187) | 28 | 1,562,563 | 130,282 |
| 5. Subscribed and not paid in share capital (account 456-495) | 29 | | |
| TOTAL: (row 25 to 29) | 30 | 485,338,789 | 380,288,366 |
| III. SHORT TERM INVESTMENTS | | | |
| 1. Investments in subsidiaries (account 501-591) | 31 | - | - |
| 2. Other short term investments (account 505+506+508-595-596-598+5113+5114) | 32 | 1,900,521 | 4,683,676 |
| TOTAL (row 31 to 32) | 33 | 1,900,521 | 4,683,676 |
| IV. PETTY CASH AND BANK ACCOUNT BALANCES (account 5112+512+531+532+541+542) | | | |
| TOTAL | 34 | 30,953,127 | 51,476,859 |
| CURRENT ASSETS - TOTAL (row 24+30+33+34) | 35 | 568,153,099 | 482,463,831 |
| C. ACCRUED EXPENSES (account 471) | | | |
| | 36 | 683,817 | 701,014 |
| D. LIABILITIES: AMOUNTS DUE WITHIN ONE YEAR | | | |
| 1. Debenture loans (account 161+1681-169) | 37 | - | - |
| 2. Amounts owed to credit institutions (account 1621+1622+1624+1625+1627+1682+5191+5192+5198) | 38 | - | - |
| 3. Advance payments received for orders (account 419) | 39 | - | - |
| 4. Trade debts – suppliers (account 401+404+408) | 40 | 5,621,028 | 4,962,366 |
| 5. Bills of exchange payable (account 403+405) | 41 | - | - |
| 6. Amounts due to non consolidated associated companies (account 1661+1685+2691+451) | 42 | 735,780,338 | 599,286,000 |
| 7. Amounts due to other equity investments (account 1663+1686+2692+453) | 43 | - | - |
| 8. Other liabilities, including tax and social security contributions liabilities (account 1623+1626+167+1687+2693+421+423+424+426+427+4281+431+437+4381+441+4423+4428+444+446+447+4481+455+456+457+4581+462+473+509+5186+5193+5194+5195+5196+5197) | 44 | 29,385,775 | 62,445,606 |
| TOTAL: (row 37 to 44) | 45 | 770,787,141 | 666,693,972 |
| E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 35+36-45-63) | | | |
| | 46 | (201,950,225) | (183,529,127) |
| F. TOTAL ASSETS LESS CURRENT LIABILITIES (row 19+46) | | | |
| | 47 | (200,406,972) | (182,237,873) |
| G. LIABILITIES: AMOUNTS DUE AFTER ONE YEAR | | | |
| 1. Debenture loans (account 161+1681-169) | 48 | - | - |
| 2. Amounts payable to credit institutions (account 1621+1622+1624+1625+1627+1682+5191+5192+5198) | 49 | - | - |
| 3. Advance payments received for orders (account 419) | 50 | - | - |
| 4. Trade debts – suppliers (account 401+404+408) | 51 | - | - |
| 5. Bills of exchange payable (account 403+405) | 52 | - | - |
| 6. Amounts due to non consolidated associated companies | 53 | - | - |

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S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Description | No row | Balance as at | |
|---|------------------|---------------------------|----------------------|
| | | The beginning of the year | The end of the year |
| A | B | 1 | 2 |
| (account 1661+1685+2691+451) | | | |
| | | IN INR | IN INR |
| 7. Amounts due to other equity investments (account 1663+1686+2692+453) | 54 | - | - |
| 8. Other liabilities, including tax and social security contributions liabilities (account 1623+1626+167+1687+2693+421+423+424+426+427+4281+431+437+4381+441+4423+4428+444+446+447+4481+455+456+457+4581+462+473+509+5186+5193+5194+5195+5196+5197) | 55 | - | - |
| TOTAL: (row 48 to 55) | 56 | - | - |
| H. ACCRUED LIABILITIES | | | |
| 1. Accrued rent and similar obligations (account 1515) | 57 | 336,394 | 612,775 |
| 2. Accrued taxes payable (account 1516) | 58 | - | - |
| 3. Other accrued liabilities and provisions (account 1511+1512+1513+1514+1518) | 59 | - | 8,817,563 |
| TOTAL ACCRUED LIABILITIES & PROVISIONS (row 57 + 59) | 60 | 336,394 | 9,430,338 |
| I. DEFERRED INCOME | | | |
| -Investment subsidies (account 475) | 61 | - | - |
| -Deferred income (account 472) total (row 63+64), out of which: | 62 | - | - |
| Amounts to be reversed within 1 year (account 472) | 63 | - | - |
| Amounts to be reversed over 1 year (account 472) | 64 | - | - |
| Negative goodwill (account 2075) | 65 | - | - |
| TOTAL (row 61+62+65) | 66 | - | - |
| J. CAPITAL AND RESERVES | | | |
| I. CAPITAL | | | |
| 1. Subscribed and paid in capital (account 1012) | 67 | 422,535 | 422,535 |
| 2. Subscribed and not paid in capital (account 1011) | 68 | - | - |
| 3. Patrimony (autonomous companies) (account 1015) | 69 | - | - |
| TOTAL (row 67 to 69) | 70 | 422,535 | 422,535 |
| II. PREMIUM RELATED TO CAPITAL (account 104) | 71 | - | - |
| III. REVALUATION RESERVE (account 105) | 72 | - | - |
| IV. OTHER RESERVES | | | |
| 1. Legal reserve (account 1061) | 73 | 84,507 | 84,507 |
| 2. Statutory or contractual capital reserve (account 1063) | 74 | - | - |
| 3. Revaluation reserve (account 1065) | 75 | - | - |
| 4. Other reserves (account 1068) | 76 | - | - |
| TOTAL (row 73 to 76) | 77 | 84,507 | 84,507 |
| Own shares (account 109) | 78 | | |
| Gains from equity instruments (account 141) | 79 | | |
| Losses from equity instruments (account 149) | 80 | | |
| V. OTHER RETAINED EARNINGS (account 117) | Balance C | 81 | 46,425,423 |
| | Balance D | 82 | - |
| VI. PROFIT / (LOSS) FOR THE YEAR (account 121) | Balance C | 83 | - |
| | Balance D | 84 | 247,675,831 |
| Profit appropriation (account 129) | 85 | - | - |
| TOTAL EQUITY (row 70+71+72+77-78+79-80+81-82+83-84-85) | 86 | (200,743,366) | (191,668,211) |
| Public patrimony (account 1016) | 87 | - | - |

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S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Description | No row | Balance as at | |
|---|-----------|------------------------------|------------------------|
| | | The beginning of the year | The end of the year |
| A | B | 1 | 2 |
| | | | |
| | | IN INR | IN INR |
| TOTAL CAPITAL & RESERVES (row 86+87) | 88 | (200,743,366) | (191,668,211) |

Administrators

Prepared by,

Sd/-

Sd/-

Damian Dragos-Eugen and Ungureanu Bogdan

Barnovschi Ancuta
Chief accountant

S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Name of indicator | No. | Financial year | |
|---|-----------|-------------------|-------------------|
| | | IN RON | |
| | | rd. Previous | Ended |
| A | B | 1 | 2 |
| 1. Net turnover (row 02+03-04+05+06) | 01 | 68,139,704 | 48,916,989 |
| Sales of produced goods (account 701+702+703+704+705+706+708) | 02 | 2,800,000 | 13,105,162 |
| Sales of goods purchased for resale (account 707) | 03 | 65,339,704 | 45,739,106 |
| Trade discounts granted (account 709) | 04 | - | 9,927,279 |
| Interest income obtained by entities removed from the general Registry whose main object of activity was leasing (account 766) | 05 | - | - |
| Subsidies related to the net turnover (account 7411) | 06 | - | - |
| 2. Revenues related to the cost of production in progress (account 711+712) | | | |
| Balance C | 07 | - | - |
| Balance D | 08 | - | - |
| 3. Own production capitalized (account 721+722) | 08 | - | - |
| 4. Other operating income (account 758+7417+7815) | 10 | 34,590 | 15,842 |
| -out of which, revenues from negative goodwill | 11 | - | - |
| TOTAL OPERATING REVENUES (row 01+07-08+09+10) | 12 | 68,174,294 | 48,932,831 |
| 5.a) Expenses related to raw materials and consumables (account 601+602-7412) | 13 | 1,517,433 | 1,684,640 |
| Other material expenses (account 603+604+606+608) | 14 | 145,227 | 87,646 |
| b) Other utilities expenses (electricity, heating and water) (account 605-7413) | 15 | 51,281 | 57,964 |
| c) Expenses regarding goods for resale (account 607) | 16 | 55,520,599 | 44,295,744 |
| Trade discount received (account 609) | 17 | - | 13,505,085 |
| 6. Personnel expenses (row 19+20) | 18 | 8,814,828 | 10,490,864 |
| a) Salaries (account 641+642+643+644-7414) | 19 | 6,967,596 | 8,279,105 |
| b) Expenses related to social security contributions (account 645-7415) | 20 | 1,847,232 | 2,211,759 |
| 7. a) Value adjustment related to tangible and intangible assets (row 22-23) | 21 | 35,644 | 14,096 |
| a.1) Expenses (account 6811+6813) | 22 | 35,644 | 17,892 |
| a.2) Revenues (account 7813) | 23 | - | 3,796 |
| 7. b) Value adjustment for current assets (row 25-26) | 24 | 15,340,121 | 463,415 |
| b.1) Expenses (account 654+6814) | 25 | 16,837,292 | 1,539,481 |
| b.2) Revenues (account 754+7814) | 26 | 1,497,171 | 1,076,066 |
| 8. Other operating expenses (row 28 to 31) | 27 | 4,479,837 | 4,117,444 |
| 8.1. Third party services expenses (account 611+612+613+614+621+622+623+624+625+626+627+628-7416) | 28 | 3,674,831 | 3,057,890 |
| 8.2 Other taxes, duties and similar expenses (account 635) | 29 | 124,804 | 181,499 |
| 8.3 Compensations, gifts and assets disposed (account 652+658) | 30 | 680,202 | 878,055 |
| Expenses regarding refinancing interests to entities removed from the general Registry whose main activity object was leasing (account 666) | 31 | - | - |
| Adjustments related to provisions (row 33-34) | 32 | (58,308) | 645,669 |
| Expenses (account 6812) | 33 | 13,555 | 662,332 |
| Revenues (account 7812) | 34 | 71,663 | 16,663 |
| TOTAL OPERATING EXPENSES (row 13 to 16+17+18+21+24+27+32) | 35 | 85,846,662 | 48,352,397 |
| OPERATING PROFIT OR LOSS | | | |
| Profit (row 12-35) | 36 | - | 580,434 |
| Loss (row 35-12) | 37 | 17,672,368 | - |
| 9. Revenues from investments (account 7611+7613) | 38 | - | - |

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S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Name of indicator | No. | Financial year | |
|---|-----------|-------------------|-------------------|
| | | IN RON | |
| | rd. | Previous | Ended |
| A | B | 1 | 2 |
| - from which, income from associated companies | 39 | - | - |
| 10. Revenues from non current investments and loans (account 763) | 40 | - | - |
| - from which, income from associates | 41 | - | - |
| 11. Interest income (account 766) | 42 | 95,698 | 77,720 |
| from which, revenues from associates | 43 | - | - |
| Other financial income (account 762+764+765+767+768) | 44 | 6,534 | 8,960 |
| TOTAL FINANCIAL REVENUES (row 38+40+42+44) | 45 | 102,232 | 86,680 |
| 12. Value adjustments regarding financial assets and current asset investments (row 47-48) | 46 | - | - |
| - expenses (account 686) | 47 | - | - |
| - income (account 786) | 48 | - | - |
| 13. Interest expense (account 666-7418) | 49 | - | - |
| - of which, expenses related to associated companies | 50 | - | - |
| Other financial expenses (account 663+664+665+667+668) | 51 | 181 | 6,278 |
| TOTAL FINANCIAL EXPENSES (row 46+49+51) | 52 | 181 | 6,278 |
| FINANCIAL PROFIT OR LOSS | | | |
| Profit (row 45-52) | 53 | 102,051 | 80,402 |
| Loss (row 52-45) | 54 | - | - |
| CURRENT YEAR PROFIT OR LOSS BEFORE EXTRAORDINARY REVENUES / EXPENSES | | | |
| Profit (row 12+45-35-52) | 55 | - | 660,836 |
| Loss (row 35+52-12-45) | 56 | 17,570,317 | - |
| 15. Extraordinary income (account 771) | 57 | - | - |
| 16. Extraordinary expenses (account 671) | 58 | - | - |
| 17. PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITIES | | - | - |
| Profit (row 57-58) | 59 | - | - |
| Loss (row 58-57) | 60 | - | - |
| TOTAL REVENUES (row 12+45+57) | 61 | 68,276,526 | 49,019,511 |
| TOTAL EXPENSES (row 35+52+58) | 62 | 85,846,843 | 48,358,675 |
| PROFIT OR LOSS BEFORE TAX | | | |
| Profit (row 61-62) | 63 | - | 660,836 |
| Loss (row 62-61) | 64 | 17,570,317 | - |
| 18. INCOME TAX (account 691) | 65 | 14,667 | 16,500 |
| 19. Other tax expenses not included above (account 698) | 66 | - | - |
| 20. NET PROFIT OR LOSS FOR THE YEAR | | | |
| Profit (row 63-64-65-66) | 67 | - | 644,336 |
| Loss (row 64+65+66-63) | 68 | 17,584,984 | - |

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PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Name of indicator | No. rd. | IN INR | |
|---|-----------|----------------------|--------------------|
| | | Previous | Ended |
| | | 1 | 2 |
| A | B | IN INR | IN INR |
| 1. Net turnover (row 02+03-04+05+06) | 01 | 965,151,615 | 692,875,198 |
| Sales of produced goods (account 701+702+703+704+705+706+708) | 02 | 39,660,057 | 185,625,524 |
| Sales of goods purchased for resale (account 707) | 03 | 925,491,558 | 647,862,691 |
| Trade discounts granted (account 709) | 04 | - | 140,613,017 |
| Interest income obtained by entities removed from the general Registry whose main object of activity was leasing (account 766) | 05 | - | - |
| Subsidies related to the net turnover (account 7411) | 06 | - | - |
| 2. Revenues related to the cost of production in progress (account 711+712) | | | |
| Balance C | 07 | - | - |
| Balance D | 08 | - | - |
| 3. Own production capitalized (account 721+722) | 08 | - | - |
| 4. Other operating income (account 758+7417+7815) | 10 | 489,943 | 224,391 |
| -out of which, revenues from negative goodwill | 11 | - | - |
| TOTAL OPERATING REVENUES (row 01+07-08+09+10) | 12 | 965,641,558 | 693,099,589 |
| 5.a) Expenses related to raw materials and consumables (account 601+602-7412) | 13 | 21,493,385 | 23,861,756 |
| Other material expenses (account 603+604+606+608) | 14 | 2,057,040 | 1,241,445 |
| b) Other utilities expenses (electricity, heating and water) (account 605-7413) | 15 | 726,360 | 821,020 |
| c) Expenses regarding goods for resale (account 607) | 16 | 786,410,751 | 627,418,470 |
| Trade discount received (account 609) | 17 | - | 191,290,156 |
| 6. Personnel expenses (row 19+20) | 18 | 124,855,921 | 148,595,807 |
| a) Salaries (account 641+642+643+644-7414) | 19 | 98,691,161 | 117,267,776 |
| b) Expenses related to social security contributions (account 645-7415) | 20 | 26,164,759 | 31,328,031 |
| 7. a) Value adjustment related to tangible and intangible assets (row 22-23) | 21 | 504,873 | 199,660 |
| a.1) Expenses (account 6811+6813) | 22 | 504,873 | 253,428 |
| a.2) Revenues (account 7813) | 23 | - | 53,768 |
| 7. b) Value adjustment for current assets (row 25-26) | 24 | 217,282,167 | 6,563,952 |
| b.1) Expenses (account 654+6814) | 25 | 238,488,555 | 21,805,680 |
| b.2) Revenues (account 754+7814) | 26 | 21,206,388 | 15,241,728 |
| 8. Other operating expenses (row 28 to 31) | 27 | 63,453,782 | 58,320,737 |
| 8.1. Third party services expenses (account 611+612+613+614+621+622+623+624+625+626+627+628-7416) | 28 | 52,051,431 | 43,312,890 |
| 8.2 Other taxes, duties and similar expenses (account 635) | 29 | 1,767,762 | 2,570,807 |
| 8.3 Compensations, gifts and assets disposed (account 652+658) | 30 | 9,634,589 | 12,437,040 |
| Expenses regarding refinancing interests to entities removed from the general Registry whose main activity object was leasing (account 666) | 31 | - | - |
| Adjustments related to provisions (row 33-34) | 32 | (825,892) | 9,145,453 |
| Expenses (account 6812) | 33 | 191,997 | 9,381,473 |
| Revenues (account 7812) | 34 | 1,015,057 | 236,020 |
| TOTAL OPERATING EXPENSES (row 13 to 16+17+18+21+24+27+32) | 35 | 1,215,958,385 | 684,878,144 |

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PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Name of indicator | No. rd. | Financial year | |
|---|------------|----------------------|--------------------|
| | | Previous 1 | Ended 2 |
| A | B | IN INR | IN INR |
| OPERATING PROFIT OR LOSS | | | |
| Profit (row 12-35) | 36 | - | 8,221,445 |
| Loss (row 35-12) | 37 | 250,316,827 | - |
| 9. Revenues from investments (account 7611+7613) | 38 | - | - |
| - from which, income from associated companies | 39 | - | - |
| 10. Revenues from non current investments and loans (account 763) | 40 | - | - |
| - from which, income from associates | 41 | - | - |
| 11. Interest income (account 766) | 42 | 1,355,496 | 1,100,850 |
| from which, revenues from associates | 43 | - | - |
| Other financial income (account 762+764+765+767+768) | 44 | 92,550 | 126,912 |
| TOTAL FINANCIAL REVENUES (ROW 38+40+42+44) | 45 | 1,448,045 | 1,227,762 |
| 12. Value adjustments regarding financial assets and current asset investments (row 47-48) | 46 | - | - |
| - expenses (account 686) | 47 | - | - |
| - income (account 786) | 48 | - | - |
| 13. Interest expense (account 666-7418) | 49 | - | - |
| - of which, expenses related to associated companies | 50 | - | - |
| Other financial expenses (account 663+664+665+667+668) | 51 | 2,564 | 88,924 |
| TOTAL FINANCIAL EXPENSES (row 46+49+51) | 52 | 2,564 | 88,924 |
| FINANCIAL PROFIT OR LOSS | | | |
| Profit (row 45-52) | 53 | 1,445,482 | 1,138,839 |
| Loss (row 52-45) | 54 | - | - |
| CURRENT YEAR PROFIT OR LOSS BEFORE EXTRAORDINARY REVENUES / EXPENSES | | | |
| Profit (row 12+45-35-52) | 55 | - | 9,360,283 |
| Loss (row 35+52-12-45) | 56 | 248,871,346 | - |
| 15. Extraordinary income (account 771) | 57 | - | - |
| 16. Extraordinary expenses (account 671) | 58 | - | - |
| 17. PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITIES | | | |
| Profit (row 57-58) | 59 | - | - |
| Loss (row 58-57) | 60 | - | - |
| TOTAL REVENUES (row 12+45+57) | 61 | 967,089,603 | 694,327,351 |
| TOTAL EXPENSES (row 35+52+58) | 62 | 1,215,960,949 | 684,967,068 |
| PROFIT OR LOSS BEFORE TAX | | | |
| Profit (row 61-62) | 63 | - | 9,360,283 |
| Loss (row 62-61) | 64 | 248,871,346 | - |
| 18. INCOME TAX (account 691) | 65 | 207,748 | 233,711 |
| 19. Other tax expenses not included above (account 698) | 66 | - | - |
| 20. NET PROFIT OR LOSS FOR THE YEAR | | | |
| Profit (row 63-64-65-66) | 67 | - | 9,126,572 |
| Loss (row 64+65+66-63) | 68 | 249,079,093 | - |

The above translation of the statutory financial statements is provided as a free translation from Romanian which is the official and binding version

S.C. TERAPIA DISTRIBUTIE SRL
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

For compliance, the references to Order 3055/2009 must be understood as containing the subsequent amendments introduced by the Order of the Minister of Public Finance no. 2829/2010.

Administrators
Sd/-
Damian Dragos-Eugen and Ungureanu Bogdan

Prepared by,
Sd/-
Barnovschi Ancuta
Chief Accountant

S.C. TERAPIA DISTRIBUTIE SRL
CASH-FLOW STATEMENT

For year ended 31 December 2010

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

| Description | No row | Financial year | |
|---|-----------|--------------------|------------------|
| | | Previous | Ended |
| A | B | 1 | 2 |
| | | IN RON | IN RON |
| Operating activity | | | |
| Profit before tax and extraordinary items | 01 | (17,570,317) | 660,836 |
| Adjustments for: | | | |
| Depreciation, amortization and impairment | 02 | 35,644 | 17,892 |
| Allowances for current assets | 03 | 15,335,871 | 428,838 |
| Movements in provisions, net (retirement, redundancy) | 04 | (58,308) | 645,670 |
| Net income from interests | 05 | (95,698) | (77,720) |
| Net book value of disposals tangible assets | 06 | (692) | - |
| Net book value of tangible assets write-off | 07 | - | 3,796 |
| | | | |
| Operating profit before changes in working capital | 08 | (2,353,500) | 1,679,312 |
| Increases in trade and other receivables | 09 | (2,356,425) | 7,139,824 |
| Increases in inventories | 10 | 2,877,700 | 170,065 |
| Increases in trade debts suppliers and other payables | 11 | 1,476,801 | (7,385,115) |
| Decreases in advances awarded to suppliers | 12 | - | - |
| Increases in deferred expenses | 13 | 1,510 | (1,221) |
| Cash from operating activities | 14 | (353,914) | 1,602,865 |
| Interests paid | 15 | - | - |
| Income tax paid | 16 | (9,167) | (22,000) |
| Net cash flow generated from operating activities | 17 | (363,081) | 1,580,865 |
| | | | |
| Investing activities | | | |
| Interest received | 18 | 95,698 | 77,720 |
| Payment for non current assets acquisitions | 19 | (19,241) | (3,796) |
| Proceeds from sales of fixed assets | 20 | 28,300 | - |
| Net cash flow generated from investing activities | 21 | 104,757 | 73,924 |
| | | | |
| Financing activities | | | |
| Share capital increased | 22 | - | - |
| Net cash flow generated from financing activities | 23 | - | - |
| | | | |
| Net increase in cash and cash equivalents | 24 | (258,324) | 1,654,789 |
| | | | |
| Cash and cash equivalents as at 1st January | 25 | 2,590,933 | 2,332,609 |
| | | | |
| Cash and cash equivalents as at 31st December | 26 | 2,332,609 | 3,987,398 |

Administrators
Sd/-
Damian Dragos-Eugen and Ungureanu Bogdan

Prepared by,
Sd/-
Barnovschi Ancuta
Chief accountant

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| Description | No row | IN INR | |
|---|-----------|---------------------|-------------------|
| | | Financial year | |
| | | Previous | Ended |
| A | B | 1 | 2 |
| Operating activity | | IN INR | IN INR |
| Profit before tax and extraordinary items | 01 | (247,469,254) | 9,307,549 |
| Adjustments for: | | | |
| Depreciation, amortization and impairment | 02 | 502,028 | 252,000 |
| Allowances for current assets | 03 | 215,998,183 | 6,039,972 |
| Movements in provisions, net (retirement, redundancy) | 04 | (821,239) | 9,093,944 |
| Net income from interests | 05 | (1,347,859) | (1,094,648) |
| Net book value of disposals tangible assets | 06 | (9,746) | - |
| Net book value of tangible assets write-off | 07 | - | 53,465 |
| | | | |
| Operating profit before changes in working capital | 08 | (33,147,887) | 23,652,282 |
| Increases in trade and other receivables | 09 | (33,189,085) | 100,560,901 |
| Increases in inventories | 10 | 40,530,986 | 2,395,282 |
| Increases in trade debts suppliers and other payables | 11 | 20,800,014 | (104,015,704) |
| Decreases in advances awarded to suppliers | 12 | - | - |
| Increases in deferred expenses | 13 | 21,268 | (17,197) |
| Cash from operating activities | 14 | (4,984,704) | 22,575,563 |
| Interests paid | 15 | - | - |
| Income tax paid | 16 | (129,113) | (309,859) |
| Net cash flow generated from operating activities | 17 | (5,113,817) | 22,265,704 |
| | | | |
| Investing activities | | | |
| Interest received | 18 | 1,347,859 | 1,094,648 |
| Payment for non current assets acquisitions | 19 | (271,000) | (53,465) |
| Proceeds from sales of fixed assets | 20 | 398,592 | - |
| Net cash flow generated from investing activities | 21 | 1,475,451 | 1,041,183 |
| | | | |
| Financing activities | | | |
| Share capital increased | 22 | - | - |
| Net cash flow generated from financing activities | 23 | - | - |
| | | | |
| Net increase in cash and cash equivalents | 24 | (3,638,366) | 23,306,887 |
| | | | |
| Cash and cash equivalents as at 1st January | 25 | 36,492,014 | 32,853,648 |
| | | | |
| Cash and cash equivalents as at 31st December | 26 | 32,853,648 | 56,160,535 |

The above translation of the statutory financial statements is provided as a free translation from Romanian which is the official and binding version

S.C. TERAPIA DISTRIBUTIE SRL
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For year ended 31 December 2010
(all amounts are expressed in lei ("RON"), unless specified otherwise)

| Equity element | Balance on 1 st of January | Increases | | Decreases | | Balance on 31st of December |
|-------------------|---------------------------------------|-------------------|-------------------|---------------------|---------------------|-----------------------------|
| | | TOTAL of which | by transfer | TOTAL of which | by transfer | |
| 0 | 1 | 2 | 3 | 4 | 5 | 6 |
| Share capital | 30,000 | - | - | - | - | 30,000 |
| Legal reserve | 6,000 | - | - | - | - | 6,000 |
| Retained earnings | 3,296,205 | - | - | (17,584,984) | (17,584,984) | (14,288,779) |
| Net profit/loss | (17,584,984) | 18,229,320 | 17,584,984 | - | - | 644,336 |
| TOTAL | (14,252,779) | 18,229,320 | 17,584,984 | (17,584,984) | (17,584,984) | (13,608,443) |

IN INR

| Equity element | Balance on 1 st of January | Increases | | Decreases | | Balance on 31st of December |
|-------------------|---------------------------------------|--------------------|--------------------|----------------------|----------------------|-----------------------------|
| | | TOTAL of which | by transfer | TOTAL of which | by transfer | |
| 0 | 1 | 2 | 3 | 4 | 5 | 6 |
| Share capital | 422,535 | - | - | - | - | 422,535 |
| Legal reserve | 84,507 | - | - | - | - | 84,507 |
| Retained earnings | 46,425,423 | - | - | (247,675,831) | (247,675,831) | (201,250,408) |
| Net profit/loss | (247,675,831) | 256,750,986 | 247,675,831 | - | - | 9,075,155 |
| TOTAL | (200,743,366) | 256,750,986 | 247,675,831 | (247,675,831) | (247,675,831) | (191,668,211) |

Administrators
Sd/-
Damian Dragos-Eugen and Ungureanu Bogdan

Prepared by,
Sd/-
Barnovschi Ancuta
Chief accountant

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Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

Code 30

| I. Result | Row no. | No. of units | Amounts IN RON | |
|---|---------|-------------------|--------------------------|---------------------------|
| A | B | 1 | 2 | |
| Units who registered profit | 01 | 1 | 644,336 | |
| Units who registered loss | 02 | - | - | |
| | | | | |
| II. Data regarding outstanding payments | Row no. | Total row 2+3 | out of which: | |
| A | B | 1 | for operating activities | for investment activities |
| A | B | 1 | 2 | 3 |
| Overdue payments - total (row 04+08+14 to 18+22) of which: | 03 | 31,380,554 | 31,380,554 | - |
| Overdue trade payables - total (row 05 to 07) of which: | 04 | 31,380,554 | 31,380,554 | - |
| - over 30 days | 05 | 101,656 | 101,656 | - |
| - over 90 days | 06 | 31,278,898 | 31,278,898 | - |
| - over 1 year | 07 | - | - | - |
| Overdue liabilities for social security contributions - total (row 09 to 13) of which: | 08 | - | - | - |
| - contributions for social security due by employers | 09 | - | - | - |
| - contributions from legal or natural persons for salaried employees and contribution of persons insured with the Social Securities and Health Fund | 10 | - | - | - |
| - contributions to supplementary pension schemes | 11 | - | - | - |
| - contribution to the unemployment insurances budget | 12 | - | - | - |
| - other social payables | 13 | - | - | - |
| Overdue obligations to the special funds budget and other funds | 14 | - | - | - |
| Overdue obligations to other creditors | 15 | - | - | - |
| Taxes and duties unpaid to the state budget at the established date | 16 | - | - | - |
| Taxes and duties unpaid to the local budget at the established date | 17 | - | - | - |
| Credits not repaid on maturity- total (row 19 to 21), out of which: | 18 | - | - | - |
| - overdue after 30 days | 19 | - | - | - |
| - overdue after 90 days | 20 | - | - | - |
| - overdue after 1 year | 21 | - | - | - |
| Overdue interests | 22 | - | - | - |
| | | | | |
| III. Average number of employees | | 31.12.2009 | 31.12.2010 | |
| A | B | 1 | 2 | |
| Average number of employees | 23 | 151 | 146 | |

The above translation of the statutory financial statements is provided as a free translation from Romanian which is the official and binding version

Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

| I. Result | Row no. | No. of units | Amounts IN INR | |
|---|---------|---------------|--------------------------|---------------------------|
| A | B | 1 | 2 | |
| Units who registered profit | 01 | 1 | 9,126,572 | |
| Units who registered loss | 02 | - | - | |
| | | | | |
| II. Data regarding outstanding payments | Row no. | Total row 2+3 | out of which: | |
| A | B | 1 | for operating activities | for investment activities |
| | B | 1 | 2 | 3 |
| Overdue payments - total (row 04+08+14 to 18+22) of which: | 03 | 441,979,634 | 441,979,634 | - |
| Overdue trade payables - total (row 05 to 07) of which: | 04 | 441,979,634 | 441,979,634 | - |
| - over 30 days | 05 | 1,431,775 | 1,431,775 | - |
| - over 90 days | 06 | 440,547,859 | 440,547,859 | - |
| - over 1 year | 07 | - | - | - |
| Overdue liabilities for social security contributions - total (row 09 to 13) of which: | 08 | - | - | - |
| - contributions for social security due by employers | 09 | - | - | - |
| - contributions from legal or natural persons for salaried employees and contribution of persons insured with the Social Securities and Health Fund | 10 | - | - | - |
| - contributions to supplementary pension schemes | 11 | - | - | - |
| - contribution to the unemployment insurances budget | 12 | - | - | - |
| - other social payables | 13 | - | - | - |
| Overdue obligations to the special funds budget and other funds | 14 | - | - | - |
| Overdue obligations to other creditors | 15 | - | - | - |
| Taxes and duties unpaid to the state budget at the established date | 16 | - | - | - |
| Taxes and duties unpaid to the local budget at the established date | 17 | - | - | - |
| Credits not repaid on maturity- total (row 19 to 21), out of which: | 18 | - | - | - |
| - overdue after 30 days | 19 | - | - | - |
| - overdue after 90 days | 20 | - | - | - |
| - overdue after 1 year | 21 | - | - | - |
| Overdue interests | 22 | - | - | - |
| | | | | |
| III. Average number of employees | | 31.12.2009 | 31.12.2010 | |
| A | B | 1 | 2 | |
| Average number of employees | 23 | 151 | 146 | |

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Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

| IV. Interest payments and royalties | Nr. rd. | Amounts (RON) | |
|---|-----------------|-----------------------|-------------------|
| Gross income from interest paid by individuals non-resident in European Union countries, of which : | 24 | - | |
| -Withholding tax liability | 25 | - | |
| Gross income from interest paid by Romanian legal persons to affiliated legal persons from European Union countries, of which: | 26 | - | |
| -Withholding tax liability | 27 | - | |
| Income from royalties paid by Romanian legal persons to affiliated legal persons non-resident in European Union countries, of which: | 28 | - | |
| -Withholding tax liability | 29 | - | |
| V. Meal tickets | No. row. | Amounts (RON) | |
| Meal tickets | 30 | 241,043 | |
| VI. Research and development expenses | No.row | 31.12.2009 | 31.12.2010 |
| Out of which : | 31 | - | - |
| -from public funds | 32 | - | - |
| -from private funds | 33 | - | - |
| VII. Innovation expenses | No. row. | 31.12.2009 | 31.12.2010 |
| Expenses for innovation- total (row 35 to 37), out of which: | 34 | - | - |
| - expenses for innovation projects completed during the year | 35 | - | - |
| - expenses for innovation projects in process during the year | 36 | - | - |
| - expenses for innovation projects abandoned during the year | 37 | - | - |
| VIII. Other information | No. row. | 31.12.2009 | 31.12.2010 |
| Financial assets, in gross amounts(row 39+47), out of which : | 38 | - | - |
| Investments in subsidiaries, investments in associates, other long term investments and debentures, in gross amount(row.40 to 46), out of which : | 39 | - | - |
| - listed shares issued by residents | 40 | - | - |
| -unlisted shares issued by residents | 41 | - | - |
| -participating shares issued by residents | 42 | - | - |
| -debentures issued by residents | 43 | - | - |
| -shares in collective investment (including SIF) issued by residents | 44 | - | - |
| -shares and participating shares issued by non residents | 45 | - | - |
| -debentures issued by non residents | 46 | - | - |
| Long term receivables, in gross amounts (row.48+49), out of which : | 47 | - | - |
| -long term receivables in RON, whose settlement is made according to the rate of currency (from account 267) | 48 | - | - |
| -long term receivables in other currency (from account 267) | 49 | - | - |
| Trade receivables, advance payments to suppliers and other similar accounts, in gross amounts (account 4092+411+413+418) | 50 | 48,738,166 | 41,211,255 |
| Other employee-related claims and other similar accounts, (account 425 +4282) | 51 | - | - |
| Other claims receivable from social security budget and Treasury(account431+437+4382+441+4424+4428+444+445+446+447+4482) | 52 | 110,588 | 9,070 |
| Receivables from non consolidated associated companies (account 451) | 53 | 3,332,000 | 3,785,992 |
| Other claims (account 453+456+4582+461+471+473) | 54 | 48,905 | 49,952 |
| Accrued interest receivable (account 5187) | 55 | - | - |
| Short term financial investments, in gross amounts (account 501+505+506+from account 508) (row.57 to 63), out of which : | 56 | - | - |

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Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

| IV. Interest payments and royalties | Nr. rd. | Amounts (INR) | |
|---|-----------------|--------------------------|-------------------|
| Gross income from interest paid by individuals non-resident in European Union countries, of which : | 24 | - | |
| -Withholding tax liability | 25 | - | |
| Gross income from interest paid by Romanian legal persons to affiliated legal persons from European Union countries, of which: | 26 | - | |
| -Withholding tax liability | 27 | - | |
| Income from royalties paid by Romanian legal persons to affiliated legal persons non-resident in European Union countries, of which: | 28 | - | |
| -Withholding tax liability | 29 | - | |
| V. Meal tickets | No. row. | Amounts (IN INR) | |
| Meal tickets | 30 | 3,414,207 | |
| VI. Research and development expenses | No.row | 31.12.2009 | 31.12.2010 |
| Out of which : | 31 | - | - |
| -from public funds | 32 | - | - |
| -from private funds | 33 | - | - |
| VII. Innovation expenses | No. row. | 31.12.2009 | 31.12.2010 |
| Expenses for innovation- total (row 35 to 37), out of which: | 34 | - | - |
| - expenses for innovation projects completed during the year | 35 | - | - |
| - expenses for innovation projects in process during the year | 36 | - | - |
| - expenses for innovation projects abandoned during the year | 37 | - | - |
| VIII. Other information | No. row. | 31.12.2009 | 31.12.2010 |
| Financial assets, in gross amounts(row 39+47), out of which : | 38 | - | - |
| Investments in subsidiaries, investments in associates, other long term investments and debentures, in gross amount(row.40 to 46), out of which : | 39 | - | - |
| - listed shares issued by residents | 40 | - | - |
| -unlisted shares issued by residents | 41 | - | - |
| -participating shares issued by residents | 42 | - | - |
| -debentures issued by residents | 43 | - | - |
| -shares in collective investment (including SIF) issued by residents | 44 | - | - |
| -shares and participating shares issued by non residents | 45 | - | - |
| -debentures issued by non residents | 46 | - | - |
| Long term receivables, in gross amounts (row.48+49), out of which : | 47 | - | - |
| -long term receivables in RON, whose settlement is made according to the rate of currency (from account 267) | 48 | - | - |
| -long term receivables in other currency (from account 267) | 49 | - | - |
| Trade receivables, advance payments to suppliers and other similar accounts, in gross amounts (account 4092+411+413+418) | 50 | 686,453,042 | 580,440,211 |
| Other employee-related claims and other similar accounts, (account 425 +4282) | 51 | - | - |
| Other claims receivable from social security budget and Treasury(account431+437+4382+441+4424+4428+444+445+446+447+4482) | 52 | 1,557,577 | 127,746 |
| Receivables from non consolidated associated companies (account 451) | 53 | 46,929,577 | 53,323,831 |
| Other claims (account 453+456+4582+461+471+473) | 54 | 688,803 | 703,549 |
| Accrued interest receivable (account 5187) | 55 | - | - |
| Short term financial investments, in gross amounts (account 501+505+506+from account 508) (row.57 to 63), out of which : | 56 | - | - |

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Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

| | Nr.rd. | 31.12.2009 | 31.12.2010 |
|---|--------|----------------|----------------|
| | | Amounts In RON | Amounts in RON |
| - listed shares issued by residents | 57 | - | - |
| -unlisted shares issued by residents | 58 | - | - |
| -participating shares issued by residents | 59 | - | - |
| -debentures issued by residents | 60 | - | - |
| -shares in collective investment (including SIF) issued by residents | 61 | - | - |
| -shares and participating shares issued by non residents | 62 | | |
| -debentures issued by non residents | 63 | | |
| Outstanding lodgements (account 5113+5114) | 64 | - | - |
| Cash in lei and foreign currencies (row.66+67), out of which : | 65 | 590 | 678 |
| - in lei (account 5311) | 66 | 590 | 678 |
| -in foreign currencies (account 5314) | 67 | - | - |
| Current bank accounts in lei and foreign currencies (row 69+70), out of which: | 68 | 2,197,082 | 3,654,179 |
| -in lei (account 5121) | 69 | 2,098,555 | 3,554,708 |
| -in foreign currencies (account 5124) | 70 | 98,527 | 99,471 |
| Other current bank accounts and letters of credit (row 72+73),out of which: | 71 | - | - |
| -amounts under settlement, letters of credit and other outstanding lodgements, in lei (account 5112+5125+5411) | 72 | - | - |
| - amounts under settlement, letters of credit in foreign currencies (account 5125 + 5412) | 73 | - | - |
| Liabilities(row 75+78+81+84+87+90+91+94 to 100), out of which : | 74 | 54,725,888 | 47,335,272 |
| -Debenture loans and related accrued interest, in gross amounts (account 161+1681)(row.76+77), out of which: | 75 | - | - |
| - in lei | 76 | - | - |
| -in foreign currencies | 77 | - | - |
| -Domestic short term bank loans and the related accrued interest (account 5191+5192+5197+from account 5198),(row 79+80), out of which : | 78 | - | - |
| -in lei | 79 | - | - |
| -in foreign currencies | 80 | - | - |
| -Foreign short term bank loans and the related accrued interest (account 5193+5194+5195+from account.5198),(row 82+83), out of which : | 81 | - | - |
| -in lei | 82 | - | - |
| -in foreign currencies | 83 | - | - |
| Long term bank loans and the related accrued interest (account 1621+1622+1627+from account 1682)(row 85+86), out of which : | 84 | - | - |
| -in lei | 85 | - | - |
| -in foreign currencies | 86 | - | - |
| Foreign long term bank loans(account 1623+1624+1625+from account 1682)(row 88+89), out of which: | 87 | - | - |
| -in lei | 88 | - | - |
| -in foreign currencies | 89 | - | - |
| -State Treasury loans (account 1626+from account 1682) | 90 | - | - |
| -Other loans and related accrued interests (account 166+167+1685+1686+1687)(row 92+93), out of which: | 91 | - | - |
| -in lei, whose settlement is made according to the rate of currency | 92 | - | - |
| -in foreign currencies | 93 | - | - |

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Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

| | Nr.rd. | 31.12.2009 | 31.12.2010 |
|---|---------------|---------------------------|-----------------------|
| | | Amounts in RON | Amounts IN RON |
| -Trade debts - suppliers, advance payments from customers an similar accounts, in gross amounts (account 401+403+404+405+408+419) | 94 | 399,093 | 352,328 |
| -Employee related debts and similar accounts (account 421+423+424+426+427+4281) | 95 | 962,410 | 1,264,517 |
| -Debts related to the social security budget and Treasury budget (account 431+437+4381+441+4423+4428 +444+446+447+4481) | 96 | 1,106,212 | 3,158,947 |
| Debts to non consolidated associated companies (account 451) | 97 | 52,240,404 | 42,549,306 |
| Debts to shareholders/ associates (account 455) | 98 | - | - |
| -Other debts(account 453+456+457+4581+ 462+472+473+269+509) | 99 | 17,769 | 10,174 |
| -Accrued interest payable (account 5186) | 100 | - | - |
| Subscribed and paid share capital (account 1012)(row 102 to 105), out of which : | 101 | 30,000 | 30,000 |
| -listed shares | 102 | - | - |
| -unlisted shares | 103 | - | - |
| -participating shares | 104 | 30,000 | 30,000 |
| -subscribed and paid share capital by the non residents (from account 1012) | 105 | - | - |
| Patents and licences (from account 205) | 106 | - | - |
| IX. Information regarding externally contracted manpower expenses | Nr.rd. | 31.12.2009 | 31.12.2010 |
| Externally contracted manpower expenses (account 621) | 107 | - | - |

Administrators
Sd/-
Damian Dragos-Eugen and Ungureanu Bogdan

Prepared by,
Sd/-
Barnovschi Ancuta
Chief accountant

Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

| | | Amounts IN INR | |
|---|--------|----------------|-------------|
| | Nr.rd. | 31.12.2009 | 31.12.2010 |
| - listed shares issued by residents | 57 | - | - |
| -unlisted shares issued by residents | 58 | - | - |
| -participating shares issued by residents | 59 | - | - |
| -debentures issued by residents | 60 | - | - |
| -shares in collective investment (including SIF) issued by residents | 61 | - | - |
| -shares and participating shares issued by non residents | 62 | | |
| -debentures issued by non residents | 63 | | |
| Outstanding lodgements (account 5113+5114) | 64 | - | - |
| Cash in lei and foreign currencies (row.66+67), out of which : | 65 | 8,310 | 9,549 |
| - in lei (account 5311) | 66 | 8,310 | 9,549 |
| -in foreign currencies (account 5314) | 67 | - | - |
| Current bank accounts in lei and foreign currencies (row 69+70), out of which: | 68 | 30,944,817 | 51,467,310 |
| -in lei (account 5121) | 69 | 29,557,113 | 50,066,310 |
| -in foreign currencies (account 5124) | 70 | 1,387,704 | 1,401,000 |
| Other current bank accounts and letters of credit (row 72+73),out of which: | 71 | - | - |
| -amounts under settlement, letters of credit and other outstanding lodgements, in lei (account 5112+5125+5411) | 72 | - | - |
| - amounts under settlement, letters of credit in foreign currencies (account 5125 + 5412) | 73 | - | - |
| Liabilities(row 75+78+81+84+87+90+91+94 to 100), out of which : | 74 | 770,787,155 | 666,693,972 |
| -Debenture loans and related accrued interest, in gross amounts (account 161+1681)(row.76+77), out of which: | 75 | - | - |
| - in lei | 76 | - | - |
| -in foreign currencies | 77 | - | - |
| -Domestic short term bank loans and the related accrued interest (account 5191+5192+5197+from account 5198),(row 79+80), out of which : | 78 | - | - |
| -in lei | 79 | - | - |
| -in foreign currencies | 80 | - | - |
| -Foreign short term bank loans and the related accrued interest (account 5193+5194+5195+from account.5198),(row 82+83), out of which : | 81 | - | - |
| -in lei | 82 | - | - |
| -in foreign currencies | 83 | - | - |
| Long term bank loans and the related accrued interest (account 1621+1622+1627+from account 1682)(row 85+86), out of which : | 84 | - | - |
| -in lei | 85 | - | - |
| -in foreign currencies | 86 | - | - |
| Foreign long term bank loans(account 1623+1624+1625+from account 1682)(row 88+89), out of which: | 87 | - | - |
| -in lei | 88 | - | - |
| -in foreign currencies | 89 | - | - |
| -State Treasury loans (account 1626+from account 1682) | 90 | - | - |
| -Other loans and related accrued interests (account 166+167+1685+1686+1687)(row 92+93), out of which: | 91 | - | - |
| -in lei, whose settlement is made according to the rate of currency | 92 | - | - |
| -in foreign currencies | 93 | - | - |

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Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

| | Nr.rd. | 31.12.2009 | 31.12.2010 |
|---|---------------|-------------------|-------------------|
| | | Amounts IN INR | Amounts IN INR |
| -Trade debts - suppliers, advance payments from customers an similar accounts, in gross amounts (account 401+403+404+405+408+419) | 94 | 5,621,028 | 4,962,366 |
| -Employee related debts and similar accounts (account 421+423+424+426+427+4281) | 95 | 13,555,070 | 17,810,099 |
| -Debts related to the social security budget and Treasury budget (account 431+437+4381+441+4423+4428 +444+446+447+4481) | 96 | 15,580,451 | 44,492,211 |
| Debts to non consolidated associated companies (account 451) | 97 | 735,780,338 | 599,286,000 |
| Debts to shareholders/ associates (account 455) | 98 | - | - |
| -Other debts(account 453+456+457+4581+462+472+473+269+509) | 99 | 250,268 | 143,296 |
| -Accrued interest payable (account 5186) | 100 | - | - |
| Subscribed and paid share capital (account 1012)(row 102 to 105), out of which : | 101 | 422,535 | 422,535 |
| -listed shares | 102 | - | - |
| -unlisted shares | 103 | - | - |
| -participating shares | 104 | 422,535 | 422,535 |
| -subscribed and paid share capital by the non residents (from account 1012) | 105 | - | - |
| Patents and licences (from account 205) | 106 | - | - |
| | | | |
| IX. Information regarding externally contracted manpower expenses | Nr.rd. | 31.12.2009 | 31.12.2010 |
| Externally contracted manpower expenses (account 621) | 107 | - | - |

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| | Gross value IN RON | | | | | |
|---|--------------------|-----------------|-----------|---------------|-------------------------|--------------------------------|
| | No. row. | Initial balance | Increases | Deductions | | Final balance (col. 5 = 1+2-3) |
| | | | | Total | out of which: disposals | |
| A | B | 1 | 2 | 3 | 4 | 5 |
| Non-current assets | | | | | | |
| Intangible assets | | | | | | |
| Set-up and development expenses | 01 | - | - | - | - | - |
| Other intangible assets | 02 | 6,302 | - | - | - | 6,302 |
| Advances for the acquisition of intangible assets and intangible assets in progress | 03 | - | - | - | - | - |
| TOTAL (row. 01 to 03) | 04 | 6,302 | - | - | - | 6,302 |
| Tangible fixed assets | | | | | | |
| Land | 05 | - | - | - | - | - |
| Buildings | 06 | 36,000 | - | - | - | 36,000 |
| Technical equipment and machinery | 07 | 144,069 | - | 3,177 | 3,177 | 140,892 |
| Other furniture and equipment | 08 | 134,530 | - | 7,231 | 7,231 | 127,299 |
| Advances for the acquisition of tangible fixed assets and tangible fixed assets in progress | 09 | - | - | - | - | - |
| TOTAL (row. 05 to 09) | 10 | 314,599 | - | 10,408 | 10,408 | 304,191 |
| Financial assets | 11 | 32,200 | - | - | - | 32,200 |

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Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

| | | | | | | |
|---|-----------|----------------|----------|---------------|---------------|----------------|
| TOTAL NON-CURRENT ASSETS (row 04+10+11) | 12 | 353,101 | - | 10,408 | 10,408 | 342,693 |
|---|-----------|----------------|----------|---------------|---------------|----------------|

IN RON

| Non-current assets | No. row. | Depreciations | | | |
|--|-----------|-----------------|------------------------------|--|-------------------------------------|
| | | Initial balance | Depreciation during the year | Depreciation of written off non-current assets | Year-end depreciation (row 9=6+7-8) |
| A | B | 6 | 7 | 8 | 9 |
| Intangible assets | | | | | |
| Set-up and development costs | 13 | - | - | - | - |
| Other intangible assets | 14 | 6,302 | - | - | 6,302 |
| TOTAL (row. 13+14) | 15 | 6,302 | - | - | 6,302 |
| Tangible fixed assets | | | | | |
| Land | 16 | - | - | - | - |
| Buildings | 17 | 13,262 | 7,578 | - | 20,840 |
| Technical equipment and machinery | 18 | 144,069 | - | 3,177 | 140,892 |
| Other furniture and equipment | 19 | 76,101 | 10,314 | 3,435 | 82,980 |
| TOTAL (row , 16 to 19) | 20 | 233,432 | 17,892 | 6,612 | 244,712 |
| TOTAL – Depreciation & Amortization (row 15+20) | 21 | 239,734 | 17,892 | 6,612 | 251,014 |

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IN RON

| Non-current assets | No. row | Provisions for impairment | | | |
|---|-----------|---------------------------|-----------------------------------|------------------------------|------------------------------------|
| | | Initial balance | Provisions set-up during the year | Provisions charged to income | Final balance (col. 13 = 10+11-12) |
| A | B | 10(1) | 11(2) | 12(3) | 13(4) |
| Intangibles | | | | | |
| Set-up and development costs | 22 | - | - | - | - |
| Other intangible assets | 23 | - | - | - | - |
| Advances for the acquisition of intangible assets and intangible assets in progress | 24 | - | - | - | - |
| TOTAL (row. 22 to 24) | 25 | - | - | - | - |
| Tangible assets | | | | | |
| Land | 26 | - | - | - | - |
| Buildings | 27 | - | - | - | - |
| Technical equipment and machinery | 28 | - | - | - | - |
| Other furniture and equipment | 29 | 3,796 | - | 3,796 | - |
| Advances for the acquisition of tangible fixed assets and tangible fixed assets in progress | 30 | - | - | - | - |
| TOTAL (row 26 to 30) | 31 | 3,796 | - | 3,796 | - |
| Financial assets | 32 | - | - | - | - |
| TOTAL PROVISIONS FOR IMPAIRMENT (row 25+31+32) | 33 | 3,796 | - | 3,796 | - |

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Terapia Distributie S.R.L.
 NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
 For the year ended 31 December 2010
 (all amounts are expressed in lei (“RON”), unless specified otherwise)

| IN INR | | | | | | |
|---|--------------------|------------------|-----------|----------------|-------------------------|--------------------------------|
| | Gross value IN INR | | | | | |
| | No. row. | Initial balance | Increases | Deductions | | Final balance (col. 5 = 1+2-3) |
| | | | | Total | out of which: disposals | |
| A | B | 1 | 2 | 3 | 4 | 5 |
| Non-current assets | | | | | | |
| Intangible assets | | | | | | |
| Set-up and development expenses | 01 | - | - | - | - | - |
| Other intangible assets | 02 | 88,761 | - | - | - | 88,761 |
| Advances for the acquisition of intangible assets and intangible assets in progress | 03 | - | - | - | - | - |
| TOTAL (row. 01 to 03) | 04 | 88,761 | - | - | - | 88,761 |
| Tangible fixed assets | | | | | | |
| Land | 05 | - | - | - | - | - |
| Buildings | 06 | 507,042 | - | - | - | 507,042 |
| Technical equipment and machinery | 07 | 2,029,141 | - | 44,746 | 44,746 | 1,984,394 |
| Other furniture and equipment | 08 | 1,894,789 | - | 101,845 | 101,845 | 1,792,944 |
| Advances for the acquisition of tangible fixed assets and tangible fixed assets in progress | 09 | - | - | - | - | - |
| TOTAL (row. 05 to 09) | 10 | 4,430,972 | - | 146,592 | 146,592 | 4,284,380 |
| Financial assets | 11 | 453,521 | - | - | - | 453,521 |
| TOTAL NON-CURRENT ASSETS (row 04+10+11) | 12 | 4,973,254 | - | 146,592 | 146,592 | 4,826,662 |

| Amount IN INR | | | | | |
|------------------------------|---------------|-----------------|------------------------------|--|-------------------------------------|
| | Depreciations | | | | |
| | No. row. | Initial balance | Depreciation during the year | Depreciation of written off non-current assets | Year-end depreciation (row 9=6+7-8) |
| | | | | | |
| Non-current assets | | | | | |
| Intangible assets | | | | | |
| Set-up and development costs | 13 | - | - | - | - |
| Other intangible assets | 14 | 88,761 | - | - | 88,761 |
| TOTAL (row. 13+14) | 15 | 88,761 | - | - | 88,761 |
| Tangible fixed assets | | | | | |
| Land | 16 | - | - | - | - |
| Buildings | 17 | 186,789 | 106,732 | - | 293,521 |

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Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

| | | | | | |
|--|-----------|------------------|----------------|---------------|------------------|
| Technical equipment and machinery | 18 | 2,029,141 | - | 44,746 | 1,984,394 |
| Other furniture and equipment | 19 | 1,071,845 | 145,268 | 48,380 | 1,168,732 |
| TOTAL (row , 16 to 19) | 20 | 3,287,775 | 252,000 | 93,127 | 3,446,648 |
| TOTAL – Depreciation & Amortization (row 15+20) | 21 | 3,376,535 | 252,000 | 93,127 | 3,535,408 |

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Amounts IN INR

| | No. row | Provisions for impairment | | | |
|---|-----------|---------------------------|-----------------------------------|------------------------------|------------------------------------|
| | | Initial balance | Provisions set-up during the year | Provisions charged to income | Final balance (col. 13 = 10+11-12) |
| A | B | 10(1) | 11(2) | 12(3) | 13(4) |
| Non-current assets | | | | | |
| Intangibles | | | | | |
| Set-up and development costs | 22 | - | - | - | - |
| Other intangible assets | 23 | - | - | - | - |
| Advances for the acquisition of intangible assets and intangible assets in progress | 24 | - | - | - | - |
| TOTAL (row. 22 to 24) | 25 | - | - | - | - |
| Tangible assets | | | | | |
| Land | 26 | - | - | - | - |
| Buildings | 27 | - | - | - | - |
| Technical equipment and machinery | 28 | - | - | - | - |
| Other furniture and equipment | 29 | 53,465 | - | 53,465 | - |
| Advances for the acquisition of tangible fixed assets and tangible fixed assets in progress | 30 | - | - | - | - |
| TOTAL (row 26 to 30) | 31 | 53,465 | - | 53,465 | - |
| Financial assets | 32 | - | - | - | - |
| TOTAL PROVISIONS FOR IMPAIRMENT (row 25+31+32) | 33 | 53,465 | - | 53,465 | - |

Administrators
Sd/-
Damian Dragos-Eugen and Ungureanu Bogdan

Prepared by,
Sd/-
Barnovschi Ancuta
Chief accountant

The Financial Statements were prepared by S.C. Terapia Distributie S.R.L. for the year ended 31 December 2010. These Financial Statements were prepared in accordance with Accounting Law no. 82/1991 (republished) and MOF no. 3055/2009 for the approval of accounting regulations complying with the European Directives and ulterior modifications.

The above translation of the statutory financial statements is provided as a free translation from Romanian which is the official and binding version

Terapia Distributie S.R.L.
 NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
 For the year ended 31 December 2010
 (all amounts are expressed in lei (“RON”), unless specified otherwise)

NOTE 1: Non current assets

| | | Amounts IN RON | | | | |
|--------------------------------------|-------------------------------------|--------------------------------------|-----------|-----------|---------------|--------------------------------|
| Classification of non-current assets | | Gross value | | | | Balance at the end of the year |
| | | Balance at the beginning of the year | Increases | Transfers | Decreases | |
| | 0 | 1 | 2 | 3 | 4 | 5 |
| I | Intangible assets | 6,302 | - | - | - | 6,302 |
| II | Tangibles assets | | | | | |
| | Land and land improvements | - | - | - | - | - |
| | Buildings | 36,000 | - | - | - | 36,000 |
| | Machinery and equipment | 144,069 | - | - | 3,177 | 140,892 |
| | Other tangible fixed assets | 134,530 | - | - | 7,231 | 127,299 |
| | Tangible fixed assets in progress | - | - | - | - | - |
| | Total tangibles assets | 314,599 | - | - | 10,408 | 304,191 |
| III. | Financial non-current assets | 32,200 | - | - | - | 32,200 |
| | Total | 353,101 | - | - | 10,408 | 342,693 |

| | | Amounts IN RON | | | | |
|--------------------------------------|-------------------------------------|---|---------------|-----------|---------------|--------------------------|
| Classification of non-current assets | | Value adjustments (and adjustment for impairment or value loss) | | | | Balance as at 31.12.2010 |
| | | Balance as at 31.12.2009 | Increases | Transfers | Decreases | |
| | 0 | 6 | 7 | 8 | 9 | 10 |
| I | Intangible assets | 6,302 | - | - | - | 6,302 |
| II | Tangibles assets | | | | | |
| | Land and land improvements | - | - | - | - | - |
| | Buildings | 13,262 | 7,578 | - | - | 20,840 |
| | Machinery and equipment | 144,069 | - | - | 3,177 | 140,892 |
| | Other tangible fixed assets | 79,897 | 10,314 | - | 7,231 | 82,980 |
| | Tangible fixed assets in progress | - | - | - | - | - |
| | Total tangibles assets | 237,228 | 17,892 | - | 10,408 | 244,712 |
| III. | Financial non-current assets | - | - | - | - | - |
| | Total | 243,530 | 17,892 | - | 10,408 | 251,014 |

NOTE 1: Non current assets

| | | Amounts IN INR | | | | |
|--------------------------------------|---|--------------------------------------|-----------|-----------|-----------|--------------------------------|
| Classification of non-current assets | | Gross value | | | | Balance at the end of the year |
| | | Balance at the beginning of the year | Increases | Transfers | Decreases | |
| | 0 | 1 | 2 | 3 | 4 | 5 |
| | | | | | | |

The above translation of the statutory financial statements is provided as a free translation from Romanian which is the official and binding version

Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

| | | | | | | |
|--------------|-------------------------------------|-----------|---|---|---------|-----------|
| I | Intangible assets | 88,761 | - | - | - | 88,761 |
| II | Tangibles assets | | | | | |
| | Land and land improvements | - | - | - | - | - |
| | Buildings | 507,042 | - | - | - | 507,042 |
| | Machinery and equipment | 2,029,141 | - | - | 44,746 | 1,984,394 |
| | Other tangible fixed assets | 1,894,789 | - | - | 101,845 | 1,792,944 |
| | Tangible fixed assets in progress | - | - | - | - | - |
| | Total tangibles assets | 4,430,972 | - | - | 146,592 | 4,284,380 |
| III. | Financial non-current assets | 453,521 | - | - | - | 453,521 |
| Total | | 4,973,254 | - | - | 146,592 | 4,826,662 |

Amounts IN INR

| Classification of non-current assets | | Value adjustments (and adjustment for impairment or value loss) | | | | |
|--------------------------------------|-------------------------------------|---|-----------|-----------|-----------|--------------------------|
| | | Balance as at 31.12.2009 | Increases | Transfers | Decreases | Balance as at 31.12.2010 |
| | 0 | 6 | 7 | 8 | 9 | 10 |
| I | Intangible assets | 88,761 | - | - | - | 88,761 |
| II | Tangibles assets | | | | | |
| | Land and land improvements | - | - | - | - | - |
| | Buildings | 186,789 | 106,732 | - | - | 293,521 |
| | Machinery and equipment | 2,029,141 | - | - | 44,746 | 1,984,394 |
| | Other tangible fixed assets | 1,125,310 | 145,268 | - | 101,845 | 1,168,732 |
| | Tangible fixed assets in progress | - | - | - | - | - |
| | Total tangibles assets | 3,341,239 | 252,000 | - | 146,592 | 3,446,648 |
| III. | Financial non-current assets | - | - | - | - | - |
| Total | | 3,430,000 | 252,000 | - | 146,592 | 3,535,408 |

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Terapia Distributie S.R.L.
 NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
 For the year ended 31 December 2010
 (all amounts are expressed in lei (“RON”), unless specified otherwise)

NOTE 2: Provisions

The Company has set-up provisions amounting to RON 669,553 [INR 9,430,324], as presented in the following table:

| Classification of provisions | Balance at the beginning of the financial year | Transfers | | Amounts RON |
|---------------------------------|--|---------------|----------------|--|
| | | Decrease | Increase | Balance at the end of the financial year |
| 0 | 1 | 2 | 3 | 4=1+2-3 |
| Pension provisions (retirement) | 23,884 | 16,663 | 36,286 | 43,507 |
| Redundancy provisions | - | - | 626,046 | 626,046 |
| Total | 23,884 | 16,663 | 662,332 | 669,553 |

| Classification of provisions | Balance at the beginning of the financial year | Transfers | | Amounts IN INR |
|---------------------------------|--|----------------|------------------|--|
| | | Decrease | Increase | Balance at the end of the financial year |
| 0 | 1 | 2 | 3 | 4=1+2-3 |
| Pension provisions (retirement) | 336,394 | 234,690 | 511,070 | 612,775 |
| Redundancy provisions | - | - | 8,817,549 | 8,817,549 |
| Total | 336,394 | 234,690 | 9,328,620 | 9,430,324 |

According report no. 1388/25.11.2010 regarding cancellation of 45 jobs and collective dismissal of employees occupying the jobs, a redundancy provision has been recorded in value of RON 626,046.

NOTE 3: Profit appropriation

| Profit appropriation | Amount RON |
|--------------------------------------|----------------|
| Net profit to be appropriated : | 644,336 |
| -legal reserve | - |
| -covering accounting loss | - |
| -dividends | - |
| Unappropriated profit account | 644,336 |

| Profit appropriation | Amount INR |
|--------------------------------------|------------------|
| Net profit to be appropriated : | 9,126,572 |
| -legal reserve | - |
| -covering accounting loss | - |
| -dividends | - |
| Unappropriated profit account | 9,126,572 |

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Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – MOF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

The net profit for the year ended 31 December 2010 is RON 644,336 [INR 9,126,572]. No destination of the profit is reflected in the Financial Statements; according the law, after Board decision and approval over the distribution or its destination, it will be reflected in the Financial Statements made for 2011, therefore the net profit of current year is found in credit balance of the Net Profit or loss of the year account.

NOTE 4: Operating result analysis

| Amounts IN RON | | | |
|---|-------------------|---------------------|-------------------|
| Indicator | | Previous year | Current year |
| 1 | | 2 | 3 |
| 1. Net turnover | | 68,139,704 | 48,916,989 |
| 2. Cost of sales and supplied services | (3+4+5+6) | 55,520,599 | 40,987,061 |
| 3. Activities expenses | | | 10,196,403 |
| 4. Cost of purchased goods | | 55,520,599 | 30,790,658 |
| 5. Expenses related to auxiliary activities | | | |
| 6. Indirect production expenses | | | |
| 7. Gross sales margin | (1-2) | 12,619,105 | 7,929,928 |
| 8. Sale expenses | | 28,711,894 | 5,345,460 |
| 9. General administration expenses | | 1,614,169 | 2,019,876 |
| 10. Other operating income | | 34,590 | 15,842 |
| 11. Operating result | (7-8-9+10) | (17,672,368) | 580,434 |

| AMOUNT IN INR | | | |
|---|-------------------|----------------------|--------------------|
| Indicator | | Previous year | Current year |
| 1 | | 2 | 3 |
| 1. Net turnover | | 965,151,615 | 692,875,198 |
| 2. Cost of sales and supplied services | (3+4+5+6) | 786,410,751 | 580,553,272 |
| 3. Activities expenses | | | 144,424,972 |
| 4. Cost of purchased goods | | 786,410,751 | 436,128,300 |
| 5. Expenses related to auxiliary activities | | | |
| 6. Indirect production expenses | | | |
| 7. Gross sales margin | (1-2) | 178,740,864 | 112,321,926 |
| 8. Sale expenses | | 406,684,051 | 75,714,731 |
| 9. General administration expenses | | 22,863,584 | 28,610,142 |
| 10. Other operating income | | 489,943 | 224,391 |
| 11. Operating result | (7-8-9+10) | (250,316,827) | 8,221,445 |

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Terapia Distributie S.R.L.
NOTES TO THE FINANCIAL STATEMENTS – OMF 3055/2009
For the year ended 31 December 2010
(all amounts are expressed in lei (“RON”), unless specified otherwise)

NOTE 5: Receivables and payables :

| RECEIVABLES | Balance as at 31.12.2009 | Balance as at 31.12.2010 | Amount In RON | |
|--|-----------------------------|-----------------------------|--------------------------------|-------------|
| | | | Liquidity term under 1 year | over 1 year |
| 1. Trade receivables | 48,766,004 | 41,273,880 | 41,273,880 | - |
| 2. Inter company balances | 3,332,000 | 3,785,992 | 3,785,992 | - |
| 3. Other receivables | 110,942 | 9,250 | 9,250 | - |
| 4. Provisions for bad debts and clients litigation | (17,749,892) | (18,068,648) | (18,068,648) | - |
| TOTAL | 34,459,054 | 27,000,474 | 27,000,474 | - |

| RECEIVABLES | Balance as at 31.12.2009 | Balance as at 31.12.2010 | Amount In INR | |
|--|-----------------------------|-----------------------------|--------------------------------|-------------|
| | | | Liquidity term under 1 year | over 1 year |
| 1. Trade receivables | 686,845,127 | 581,322,254 | 581,322,254 | - |
| 2. Inter company balances | 46,929,577 | 53,323,831 | 53,323,831 | - |
| 3. Other receivables | 1,562,563 | 130,282 | 130,282 | - |
| 4. Provisions for bad debts and clients litigation | (249,998,479) | (254,488,000) | (254,488,000) | - |
| TOTAL | 485,338,789 | 380,288,366 | 380,288,366 | - |

| PAYABLES | Balance as at 31.12.2009 | Balance as at 31.12.2010 | Amount In RON | | |
|---|-----------------------------|-----------------------------|--------------------------|--------------------|----------|
| | | | Due date under 1 year | 1-5 years years | over 5 |
| 1. Suppliers | 399,093 | 352,328 | 352,328 | - | - |
| 2. Fixed assets suppliers | - | - | - | - | - |
| 3. Inter company balances | 52,240,404 | 42,549,306 | 42,549,306 | - | - |
| 4. Liabilities to employees | 954,471 | 1,258,723 | 1,258,723 | - | - |
| 5. Social securities and unemployment contributions | 343,516 | 297,523 | 297,523 | - | - |
| 6. Taxes and duties | 762,696 | 2,861,424 | 2,861,424 | - | - |
| 7. Dividends Payable | - | - | - | - | - |
| 8. Other obligations | 25,707 | 15,968 | 15,968 | - | - |
| TOTAL | 54,725,887 | 47,335,272 | 47,335,272 | - | - |

| PAYABLES | Balance as at 31.12.2009 | Balance as at 31.12.2010 | Amount In INR | | |
|---|-----------------------------|-----------------------------|--------------------------|--------------------|----------|
| | | | Due date under 1 year | 1-5 years years | over 5 |
| 1. Suppliers | 5,621,028 | 4,962,366 | 4,962,366 | - | - |
| 2. Fixed assets suppliers | - | - | - | - | - |
| 3. Inter company balances | 735,780,338 | 599,286,000 | 599,286,000 | - | - |
| 4. Liabilities to employees | 13,443,254 | 17,728,493 | 17,728,493 | - | - |
| 5. Social securities and unemployment contributions | 4,838,254 | 4,190,465 | 4,190,465 | - | - |
| 6. Taxes and duties | 10,742,197 | 40,301,746 | 40,301,746 | - | - |
| 7. Dividends Payable | - | - | - | - | - |
| 8. Other obligations | 362,070 | 224,901 | 224,901 | - | - |
| TOTAL | 770,787,141 | 666,693,972 | 666,693,972 | - | - |

The Company did not have liabilities to credit institutions or other financial companies as at 31 December 2010.

At 31 December 2010, included in suppliers' liabilities are the services suppliers' liabilities amounting RON 260,030 [INR 3,662,394], for which the Company did not receive invoices until this date.

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NOTE 6: Summary of significant accounting policies

A. ACCOUNTING PRINCIPLES

The items presented in the annual financial statements are assessed according to the following general accounting principles, according to the accrual basis of accounting. These principles are outlined below:

1. *The going concern principle* – this principle assumes that the Company will continue its normal operations, without initiating a dissolution procedure or significantly reducing its activity.

2. *The consistency principle* – this principle that assumes that the Company applies consistently the same rules and standards regarding assessment, recording in the accounting records and presentation of assets, liabilities and results, ensuring the comparability over time of the accounting information presented.

3. *The prudence principle* – this principle that assumes that the Company in its assessment of the various accounting estimates made must follow a conservative approach and especially:

- Only the realized profit up to the balance sheet date may be reflected in its results;
- All known debts during the current financial year or during a preceding financial year must be taken into account, even if these become evident only between the balance sheet date and the financial statements issuance date;

NOTE 6: Accounting principles, policies and methods (continued)

- All foreseeable duties and potential losses that appeared during the current financial year or during a preceding financial year must be taken into account, even if these become evident only between the balance sheet date and the financial statements issuance date;
- All value adjustments caused by impairment must be taken into account, irrespective of whether the result for the financial year is a loss or a profit.

4. *The financial year independence principle.* Revenues and expenses related to the financial year must be recognized, regardless of the date of collection or payment of these revenues or expenses.

5. *The separate assessment principle of the assets and liabilities.* According to this principle, separable assets or liabilities must be assessed separately.

6. *The intangibility principle.* The opening balance sheet for every financial year must correspond to the closing balance sheet of the previous financial year.

7. *The non-compensation principle.* Any compensation between individual assets and liabilities or between revenues and expenses is prohibited. Possible compensations between receivables and payables of the entity towards the same entity may be effected, observing the relevant provisions of the laws, only after recording in the accounting records the entire value of the related revenues and expenses.

8. *Substance over form principle.* The presentation of values of balance sheet and income statement items is made by taking into account the economic substance of the transaction or the reported operation and not only their legal form.

9. *The materiality principle.* Any element that has a significant value must be separately presented in the financial statements.

The elements in the balance sheet and in the profit and loss account that are preceded by numbers may be combined if:

- Their amount is insignificant and
- Such a combination presents a higher level of clarity, on the condition that the combined elements are presented separately in the explanatory notes.

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The financial statements were prepared and presented in accordance with the above mentioned principles.

B. SIGNIFICANT ACCOUNTING POLICIES

Reference currency

The financial statements are presented in Lei (“RON”).

Rounding of the amounts presented was made to plus or minus RON 1, based on two decimals.

Basis of preparation

These financial statements of Terapia Distributie SRL were prepared in accordance with the Order of the Minister of Public Finance no. 3055/2009 modified and completed and the Law of accounting 82/1991 (republished).

The source accounting records, on which these financial statements are based, are maintained in RON, using the historic cost basis, except where specifically mentioned in the accounting policies on a fair value basis.

The Company prepared these financial statements using the trial balance which is in compliance with the regulations outlined above.

NOTE 6: Summary of significant accounting policies (continued)

These financial statements comprise:

- Balance sheet;
- Profit and loss account;
- Statement of changes in equity;
- Cash flow statement and
- Explanatory notes.

Translation of amounts denominated in foreign currency

Transactions denominated in foreign currency made by the Company are registered in RON at the exchange rate applicable at the date of the transaction.

Exchange rate differences resulting from these transactions and from the translation of assets and liabilities denominated in foreign currency are presented in the profit and loss account. These balances are converted into RON at the rate of exchange ruling at the balance sheet date, as published by the National Bank of Romania.

At 31 December 2010, the exchange rates for conversion of balances expressed in foreign currency were USD 1 {in INR 44.7100}= RON 3.2045[IN INR 0.0710] and EUR 1 [IN INR 0.0167]= RON [IN INR 0.0710] 4.2848.

Comparative statements

For each element of the balance sheet, profit and loss account, changes in shareholders equity and cash-flow statement, the values of the corresponding elements for the previous financial year must be presented.

If the values for the prior period are not comparable with the ones of the current year, this aspect is presented and explained in the explanatory notes.

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Tangible fixed assets

Tangible fixed assets are presented in the balance sheet at cost less the accumulated depreciation and impairment, if applicable.

Tangible fixed assets that are write-off or disposed in the year are eliminated from the balance sheet together with the corresponding accumulated depreciation.

Gains or losses resulting from the disposal of a tangible fixed asset are determined as the difference between the disposal proceeds and their unamortized value, including the disposal costs, and are presented in the profit and loss account under revenues or expenses, as applicable.

Subsequent expenses corresponding to a tangible fixed asset are generally recognized as an expense in the period in which they are incurred.

Significant improvements (modernizations) are capitalized if they extend the useful life of the asset, or significantly increase the estimated economic benefits to be derived from the use of these assets in the future.

NOTE 6: Summary of significant accounting policies (continued)

Repairs and minor improvements are recognized in the profit and loss account as incurred.

Depreciation

The depreciation of tangible fixed assets is calculated on a straight line basis and on useful lives established by the Technical Commission of the Company, starting from the month following their commissioning, so as their cost or value to be appropriated on their estimated useful life.

The fiscal depreciation is computed using the lower limit of useful lives of tangibles assets stated in HG 2139/2005.

The useful lives established for different tangible fixed assets categories are presented in the following table:

| Category | Years |
|--|--------------|
| Improvements on rented buildings | 5 |
| Computers | 3 |
| Furniture, office equipment, other tangible assets | 3-20 |
| Equipment and measurement, control, adjustment installations | 5 |

The depreciation period and length are periodically reviewed in order to ensure that they are consistent with the estimated evolution of the economic benefit resulted from the use of tangible assets.

Intangible assets

Intangible assets are initially registered at the acquisition or production cost. Intangible assets are recognized when the realization of a future economic benefit by the Company is probable and the asset's cost can be assessed in a reliable manner. After the initial recognition, intangible assets are presented at the initial cost, less the accumulated depreciations and impairments. Intangible assets are depreciated on a straight line basis during the useful life. The period and method of depreciation are revised at the end of each financial year.

Under this category, the Company registers IT software.

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New software purchase cost is capitalized and treated as an intangible asset, if the software is not part of the respective hardware. The software is depreciated on a straight line basis during the estimated useful life, which does not exceed 3 years.

Financial assets

Financial assets includes guarantees paid to suppliers, for rent contracts.

Inventories

At the entry in the company, the stocks are valued at the acquisition cost.

Merchandises are valued at the acquisition cost less trade discount received from suppliers.

Where necessary, a provision for impaired inventories, with slow movement or damaged is set up in order to present them at net realizable value. As at 31 December 2009 the allowance for inventories amounted to RON 424,721 [INR 5,981,986] and as at 31 December 2010 amounts to RON 534,803 [INR 7,532,437]. The Company uses the (FIFO) inventories valuation method.

NOTE 6: Summary of significant accounting policies (continued)

Receivables and current liabilities

Current trade receivables and payables are recognized and registered at the initial value. An estimation has been made regarding the doubtful customers taking into consideration the outstanding amounts at 31.12.2010.

A provision is set up when there is evidence according to which the Company will not be able to collect the receivables either in total or partly. Receivables related to doubtful customers' balances are registered under expenses when they are identified. As at 31 December 2010 the allowance for doubtful debts amounted to RON 18,068,648 [INR 254,488,000].

Cash and cash equivalents

Cash and cash equivalents include petty cash and highly liquid bank account balances, current account balances and bank deposits with maturity of less than 3 months from the balance sheet date, denominated in RON and foreign currency.

Taxes and duties

The Company computes corporate income tax on the basis of the profit before tax included in the financial statements prepared in compliance with the applicable regulations. This value is adjusted with different non deductible or exempt from tax elements. Income tax is computed using the tax rate in force at the moments of the balance sheet.

For the year ended at 31 December 2010 the corporate income tax rate was 16%.

Since the income tax was less than the established minimum income tax (Ordinance 34/2009), the company registered for the first 9 months of the year 2010 minimum tax in accordance with legal provisions in force; starting with October 1st, the provisions of Ordinance 34/2009 were repealed, therefore the company has no debt for quarter 4 as minimum tax.

Taxes liabilities are recorded related to the period that are due.

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For current liabilities, legal or constructive, related to amounts due to the State and other local Authorities, generated as a result of a past event, for the settlement of which an outflow of economic resources is probable provisions for taxes are recognized provided that a reliable estimate of the value of these liabilities can be made.

Incomes

Revenues are recognized in the profit and loss account when it is likely that the Company will derive the benefits associated with the underlying transactions, and a reliable estimate of the value of these benefits can be made.

Revenues, which exclude value added tax, include the value of the goods sold and are recorded on an accruals basis.

Expenses

In order to comply with the financial year independence principle, the expenses related to merchandise and services were recorded independently on the date when the invoices were received:

- expenses for merchandise: are recorded based on the selling invoices or delivery notes issued;
- other expenses: based on the invoices received which relates to prior periods;
- Interest expenses: according to the contractual agreements.

NOTE 6: Summary of significant accounting policies (continued)

Provisions

A provision is recognized when the Company has a current legal or constructive obligation resulting from a past event, when it is likely that an outflow of resources carrying economic benefits may result from the settlement of these obligations, and when the value of the payment can be measured reliably.

Provisions are reviewed at the end of each year and adjusted in order to reflect an accurate estimation of the likely losses that may occur, taking into consideration all available information as of the date approval of the financial statements.

Retained result and reserves

According with the Romanian legislation, companies must allocate an amount equal to at least 5% of the profit before taxation to legal reserves, until the value of the legal reserves reaches 20% of the value of the shared capital. Once the legal reserves reach this level, the Company may allocate additional funds to the legal reserves, depending on its own requirements.

Capital reserves are created in accordance with the legislation in force.

Contingent liabilities and assets

Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of the related outflows occurring is remote.

A contingent asset is not recognized in the financial statements but it is disclosed when the inflow of future economic benefits is probable.

Retirement, post retirement and termination benefits

a) Short-term employee benefits

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Short-term employee benefits comprise salaries and contributions to social security funds. They are recognized as expenses in the period in which they are paid.

Upon retirement the employees receive a bonus equal to the gross value of two salaries had at the date of the retirement, in compliance with the provisions of the collective labor agreement. The Company estimated and recorded a provision for these obligations.

b) Post-employment benefits

Both the Company and the employees have the obligation to contribute to the National Retirement Fund. The Company has no obligation of paying other future benefits. The only obligation in this respect is the payment of the contributions to the National Retirement Fund by the due date.

c) Benefits upon termination of individual labor agreements

The Company has an obligation to compensate employees in case it terminates their individual labor agreements, as a result of a restructuring plan. The magnitude of the related termination benefits payable depends on the position held and the number of years of employment with the Company. Termination benefits obligations are recorded when the related reorganization plan is adopted by the management of the Company.

NOTE 6: Summary of significant accounting policies (continued)

Events occurring after the balance sheet date

Events occurring after the balance sheet date that present additional information in relation to significant changes in the financial position of the Company as of the balance sheet date (adjusting events) are recognized in the financial statements. Significant events occurring after the balance sheet date that are not adjustments are disclosed in the notes to the financial statements.

NOTE 7: Investments and sources of finance

The sole shareholder of Terapia Distributie S.R.L is Terapia S.A. Cluj-Napoca, which holds 100% of the share capital. Terapia S.A. is headquartered in Cluj-Napoca, 124 Fabricii St. District Cluj.

As at 31 December 2010, the share capital is amounting to RON 30,000 [INR 422,535], and was divided into 3,000 shares, with a nominal value of 10 RON each [INR 140.8450]. The share capital is fully paid. No share capital increases have been performed during the year.

NOTE 8: Information regarding employees and members of the board of administrators, management and supervision bodies

Employees:

The average number of employees for the financial year ended 31 December 2010 amounted to 146 persons, out of which:

- d) workers 32 persons
- e) technical, financial and administrative personnel 114 persons

The actual number of employees as at 31 December 2010 amounted to 145 persons out of which:

- workers 32 persons
- technical, financial and administrative personnel 113 persons

IN RON

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| Expenses | 31 December 2009 | 31 December 2010 |
|---|-----------------------------|-----------------------------|
| Gross salaries during the year | 6,627,984 | 7,794,459 |
| Social insurance contributions | 1,373,290 | 1,633,055 |
| Social health insurance contributions | 344,656 | 405,335 |
| Contributions to the unemployment fund | 32,968 | 38,883 |
| Contribution expenses | 56,338 | 66,252 |
| Meal tickets expenses | 236,778 | 241,043 |
| Provision expenses related to salaries and salaries taxes | 142,814 | 311,837 |
| Total | 8,814,828 | 10,490,864 |

IN INR

| Expenses | 31 December 2009 | 31 December 2010 |
|---|-----------------------------|-----------------------------|
| Gross salaries during the year | 93,880,793 | 110,403,102 |
| Social insurance contributions | 19,451,700 | 23,131,091 |
| Social health insurance contributions | 4,881,813 | 5,741,289 |
| Contributions to the unemployment fund | 466,969 | 550,751 |
| Contribution expenses | 797,989 | 938,414 |
| Meal tickets expenses | 3,353,796 | 3,414,207 |
| Provision expenses related to salaries and salaries taxes | 2,022,861 | 4,416,955 |
| Total | 124,855,921 | 148,595,807 |

Management and Administrator:

The management of the Company is represented by the Board of Administration. The members of the Board of Administration as at 31.12.2010:

Mr. Damian Dragos-Eugen
Mr. Sandeep Puri
Mr. Ungureanu Bogdan-Alin

No advance payments, indemnities or credits were granted to the Company’s Management and Administrator and no future obligations were registered on their behalf.

NOTE 9: Analysis of main financial ratios

| INDICATORS | VALUE 2009 | VALUE 2010 |
|--|-----------------------|-----------------------|
| 1. LIQUIDITY RATIOS | | |
| A. CURRENT LIQUIDITY RATIO – <i>index</i> - (Current assets/Current liabilities) | 0.74 | 0.72 |
| B. ACID TEST RATIO- <i>index</i> - (Current assets-Inventories/Current liabilities) | 0.67 | 0.65 |
| 2. RISK INDICATOR | | |
| A. GEARING RATIO (Borrowed capital /equity)*100 (Borrowed capital /employed capital)*100 | Not calculated | Not calculated |
| B. INTEREST COVERAGE RATIO (Profit prior to interest and profit tax /interest expense payment) – <i>lei</i> | Not calculated | Not calculated |
| 3. ACTIVITY RATIO (MANAGEMENT RATIO) | | |
| A. INVENTORY TURNOVER RATIO – <i>no. of turnovers</i> | 11.18 | 9.04 |

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| | | |
|--|----------------|----------------|
| (Cost of sales /Average inventory) | | |
| B. NUMBER OF STORAGE DAYS – <i>days</i> - (Average inventory/ Cost of sales x 365) | 33 days | 40 days |
| C. TURNOVER RATE OF ACCOUNTS RECEIVABLE– <i>days</i> - (Average receivables balance/Turnover)*365 | 211 days | 205 days |
| D. TURNOVER RATE OF NON CURRENT ASSETS – <i>no. of turnovers</i> - (Turnover/Non current assets) | 622 | 534 |
| E. TURNOVER RATE OF TOTAL ASSETS (Turnover/total assets) – <i>no. of turnovers</i> - | 1.68 | 1.42 |
| F. TURNOVER RATE OF ACCOUNTS PAYABLE (average payables balance/total purchases)*365 | 359 days | 557 days |
| 4. PROFITABILITY RATIOS | | |
| A. RETURN ON CAPITAL EMPLOYED % (Profit before interest and corporate income tax) /(equity+loan long term portion) | Not calculated | Not calculated |
| B. GROSS MARGIN RESULTED FROM SALES % (Gross profit resulted from sales/Turnover x100) | 18.52% | 37.06% |
| C.GROSS MARGIN RESULTED FROM SALES OF GOODS (Gross profit resulted from sales of goods/Turnover related to sales of goods x100) | 15.03% | 14.02% |

Liquidity ratios

Current liquidity ratio (working capital ratio), respectively the acid test ratio, expresses how many times the current liabilities are contained in the current assets, respectively in current assets less inventories. There is a slight decrease in the Company’s liquidity position in comparison with the previous year.

Activity ratio (management ratio)

The low number of inventory storage days reflects the fact that the Company has a good policy for their management.

The turnover rate of collection of receivables from customers, expresses the number of days up to the date when the debtors discharge their debts towards the Company, also shows the efficiency of the Company in the collection of its receivables. It has been observed the same trend as in previous year (average speed - approximately 205 days).

The turnover rate of accounts payable expresses the number of credit days obtained by the company from its suppliers.

NOTE 9: Analysis of main financial ratios (continued)

The turnover rate of accounts payable must be correlated to the turnover rate of collection of receivables.

The value of this indicator increased in 2010 over the previous period.

The turnover rate of non current assets decreased compared to 2009 from 622 to 534 times. This variation was due to the decrease of the turnover.

The turnover rate of total assets decreased compared to 2009. The turnover rate of non current assets, respectively the turnover rate of total assets, expresses the efficiency of management by examining the turnover value generated by the level of a certain asset.

Profitability ratios

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It has been observed an increase in gross margin resulted from sales up to 37.06% in 2010 due to increasing sales from providing services; in terms of gross margin resulted from sales of goods, the indicator is preserved in the same limits as in the previous year.

NOTE 10: Other information

a) Information related to the presentation of the Company

S.C. Terapia Distributie is a limited liability company with headquarters in Romania, Cluj – Napoca, 10 Muncii Street.

The main domain of activity of the Company is wholesale trade of pharmaceutical products, CAEN code 4646.

The registered capital, subscribed and paid in cash is RON 30,000 [INR 422,535]. The sole shareholder of S.C. Terapia Distributie S.R.L. is S.C. Terapia S.A. with headquarters at 124 Fabricii Street, Cluj-Napoca.

b) Information regarding profit tax

For the year 2010, the company does not owe income tax due to the fact that it has recorded fiscal loss for this period.

The company recorded for 2010 year minimum tax in accordance with legal provisions in force (Ordinance 34/2009) in amount of RON 16,500 [INR 232,394], out of which the company paid during the year an amount of RON 16,500 [INR 232,394].

c) Turnover

The net turnover, amounting to RON 48,916,989 [INR 692,875,198] , is resulted mainly from goods traded solely on the domestic market, through the 7 warehouses of the Company and also from services provided, as follows:

| Net turnover – 2010 | RON | % |
|---------------------------------|-------------------|----------------|
| Revenues from selling goods | 35,811,827 | 73.21% |
| Revenues from services provided | 13,105,162 | 26.79% |
| TOTAL : | 48,916,989 | 100.00% |

| Net turnover – 2010 | IN INR | % |
|---------------------------------|--------------------|----------------|
| Revenues from selling goods | 507,249,674 | 73.21% |
| Revenues from services provided | 185,625,524 | 26.79% |
| TOTAL : | 692,875,198 | 100.00% |

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NOTE 10: Other information (continued)

d) Auditors’ fees

The Auditor of the Company is SC KPMG Audit SRL. The fees for the audit of the financial statements for the year 2010 amount to approximately EUR 19,400 [INR 1,168,675] without VAT (approximately RON 83,125) [INR 1,177,408].

e) Awarded commitments

On the balance sheet date there were no contracted capital expenses which were not registered in the accounting records.

NOTE 11: Allowances and impairment provisions against the value of current assets

Allowances and impairment provisions were made in relation to the impairment of assets, risks and potential losses resulting from the Company’s operational activities, in accordance with the prudence principle.

For doubtful trade receivables’ balances, a provision was recorded, calculated as follows:

- balances due for 180 -210 days – 2.5% of the respective balances
- balances due for 210 -270 days – 10% of the respective balances
- balances due for 270 -365 days – 50 % of the respective balances
- balances due for more than 365 days – 100 % of the respective balances
- for customers against whom legal proceedings have been initiated for the recovery of the overdue receivables a 100 % provision of the respective balances is made based on the advice of the Company’s Legal Advisor.
- Supplementary provision for Distributors with “ High Risk” rating (Level 3 or 4), based on the risk reports obtained from the Credit rating agency (COFACE) shall be made as follows:-
 - Category 3= 20% of the amount outstanding
 - Category 4=10% of the amount outstanding

The above provision would be including against the Debts standing against the Promissory Notes.

We underline as a change in accounting policy in the current year over the previous year the recording of the supplementary provision based on COFACE rating and suspension of the rule under which the Company does not record a provision for customers that have debts secured with promissory notes. The above mentioned amendments have lead to the recording in the accounting books of an additional expense in amount of RON 345,107 [INR 488,820] (effect of change in accounting policy).

In 2009, MONTERO S.A. balance amounted of RON 14,637,131 [INR 206,156,775] was entirely provisioned considering the submission of insolvency and reorganization file; the above mentioned amount was treated as non deductibl expense. In 2010, the company has considered tax deductibility for the provision made for MONTERO S.A. customer, according Fiscal Code, article 22, point 1c, thereby 30% tax deductibility for the provisions made for customers debts recorded after 01.01.2004 and not collected in a period exceeding 270 days from due date, trated separately as two fiscal periods as the provision of Ordinance 87/2010 (01.01.2010-30.09.2010 and 01.10.2010-31.12.2010).

As at 31 December 2010, the inventories allowances policy of the Ranbaxy Group was applied and the related provisions were calculated as follows:

| | <u>Criteria</u> | <u>Provision level</u> |
|--------------|------------------------------------|------------------------|
| - obsolete | | 100% |
| - shelf life | < 6 months | 100% |
| - shelf life | 6 months – 1 year | 50% |
| - shelf life | > 1 year but less than | |
| | 50% of the remaining period to the | |
| | expiration date of the goods | 25% |

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NOTE 11: Allowances and impairment provisions against the value of current assets (continued)

The provision recorded during the year 2010 increased with the amount of RON 110,082 [INR 1,550,451]. As at 31 December 2010 the inventories provision is amounting to RON 534,803 [INR 7,575,113].

The accounting policy regarding the registration of the provisions has not changed since 2009.

The provisions for the impairment of inventories are not deductible for tax purposes.

| No. | Name of provision | Balance on 1 January 2010 | Transfers during the year | | Balance on 31 December 2010 |
|--------------|-------------------------------------|---------------------------------|---------------------------|------------------|-----------------------------------|
| | | | Cancellations | Set ups | |
| 0 | 1 | 2 | 3 | 4 | 5=2-3+4 |
| 1. | Provisions for accounts receivables | 17,749,892 | 993,470 | 1,312,226 | 18,068,648 |
| 2. | Provisions for inventory impairment | 424,721 | 82,596 | 192,678 | 534,803 |
| TOTAL | | 18,174,613 | 1,076,066 | 1,504,904 | 18,603,451 |

| No. | Name of provision | Balance on 1 January 2010 | Transfers during the year | | Balance on 31 December 2010 |
|--------------|-------------------------------------|---------------------------------|---------------------------|-------------------|-----------------------------------|
| | | | Cancellations | Set ups | |
| 0 | 1 | 2 | 3 | 4 | 5=2-3+4 |
| 1. | Provisions for accounts receivables | 249,998,479 | 13,992,535 | 18,482,056 | 254,488,000 |
| 2. | Provisions for inventory impairment | 5,981,986 | 1,163,324 | 2,713,775 | 7,532,437 |
| TOTAL | | 255,980,465 | 15,155,859 | 21,195,831 | 262,020,437 |

NOTE 12: Related parties

Inter-company transactions

The Company entered into agreements for goods purchases and lease of fixed assets and location from SC Terapia SA. which is sole shareholder of S.C. Terapia Distributie S.R.L. In the same time, the company has provided promotion services, sales and market research for Terapia S.A.

Details in relation to transactions and balances with SC Terapia SA are presented in the following table:

| Transactions | IN RON | |
|---|------------|------------|
| | 2009 | 2010 |
| Goods and services purchase , other transactions , VAT included | 58,496,856 | 35,437,732 |
| Services provided, VAT included | 3,365,677 | 16,215,171 |

| Balance accounts | IN RON | |
|-------------------|---------------------|---------------------|
| | 31 December 2009 | 31 December 2010 |
| Trade receivables | 3,332,000 | 3,785,992 |
| Trade liabilities | 52,240,404 | 42,549,306 |

| Transactions | IN INR | |
|---|-------------|-------------|
| | 2009 | 2010 |
| Goods and services purchase , other transactions , VAT included | 828,567,365 | 501,950,878 |
| Services provided, VAT included | 47,672,479 | 229,676,643 |

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| Balance accounts | IN INR | |
|-------------------------|-----------------------------|-----------------------------|
| | 31 December 2009 | 31 December 2010 |
| Trade receivables | 46,929,577 | 53,323,831 |
| Trade liabilities | 735,780,338 | 599,286,000 |

Transactions with related parties are carried out in normal terms and conditions, during ongoing activity.

NOTE 13: Operational leasing

Terapia Distributie concluded the following leasing contracts during 2010:

- for business operation areas both for the headquarter office, Cluj-Napoca as well as for the business units in Bucharest, Pielesti-Dolj, Galati, Brasov, Timisoara, Iasi, Constanta
The lessors are legal persons.
- for goods, equipment and vehicles from TERAPIA S.A.

The lease expenses during 2010 amounted to approximately RON 1,603,173 [INR 22,707,833].

NOTE 14: Commitments

For the year 2011 the Company has obligations related to rent and corresponding maintenance services, amounting to RON 194,790 [IN INR 2,743,521] and EUR 35,108 [IN INR 2,102,275].

Regarding the commitments for the next 3 years, Terapia Distributie has concluded operational lease agreements for warehouses and service agreements, as follows:

| Concluded contracts : | Concluded as at : | 2011 | | | 2012- final contract | | |
|--|------------------------------|----------------|------------|---------------|-----------------------------|------------|------------|
| | | RON | USD | EUR | RON | USD | EUR |
| Iasi area lease contract | 22.12.2012 | 193,200 | | - | 188,531 | - | - |
| Brasov area lease contract | 30.09.2011 | - | - | 9,555 | - | - | - |
| Craiova area lease contract | 10.02.2011 | - | - | 3,777 | - | - | - |
| Timisoara area lease contract | 31.03.2011 | - | - | 3,660 | - | - | - |
| Galati area lease contract | 30.09.2011 | - | - | 3,600 | - | - | - |
| Bucuresti area lease contract | 15.05.2011 | - | - | 7,083 | - | - | - |
| Constanta area lease contract | 31.10.2011 | - | - | 5,640 | - | - | - |
| Monitoring services contract Constanta | unspecified | - | - | 420 | - | - | - |
| Brasov intervention services contract | 31.08.2011 | - | - | 160 | - | - | - |
| Brasov intervention services contract | 30.06.2011 | 690 | - | - | - | - | - |
| Iasi monitoring services contract | 09.09.2011 | - | - | 373 | - | - | - |
| Alarm system services contract Timisoara | 30.06.2011 | 900 | - | - | - | - | - |
| Monitoring services contract Craiova | 01.11.2011 | - | - | 600 | - | - | - |
| Cluj monitoring services contract | 01.09.2011 | - | - | 240 | - | - | - |
| Total : | | 194,790 | - | 35,108 | 188,531 | - | - |

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IN INR

| Concluded contracts : | Concluded as at : | 2011 | | | 2012- final contract | | |
|--|-------------------|------------------|----------|------------------|----------------------|----------|----------|
| | | RON | USD | EUR | RON | USD | EUR |
| Iasi area lease contract | 22.12.2012 | 2,721,127 | | - | 2,655,366 | - | - |
| Brasov area lease contract | 30.09.2011 | - | - | 572,156 | - | - | - |
| Craiova area lease contract | 10.02.2011 | - | - | 226,168 | - | - | - |
| Timisoara area lease contract | 31.03.2011 | - | - | 219,162 | - | - | - |
| Galati area lease contract | 30.09.2011 | - | - | 215,569 | - | - | - |
| Bucuresti area lease contract | 15.05.2011 | - | - | 424,132 | - | - | - |
| Constanta area lease contract | 31.10.2011 | - | - | 337,725 | - | - | - |
| Monitoring services contract Constanta | unspecified | - | - | 25,150 | - | - | - |
| Brasov intervention services contract | 31.08.2011 | - | - | 9,581 | - | - | - |
| Brasov intervention services contract | 30.06.2011 | 9,718 | - | - | - | - | - |
| Iasi monitoring services contract | 09.09.2011 | - | - | 22,335 | - | - | - |
| Alarm system services contract Timisoara | 30.06.2011 | 12,676 | - | - | - | - | - |
| Monitoring services contract Craiova | 01.11.2011 | - | - | 35,928 | - | - | - |
| Cluj monitoring services contract | 01.09.2011 | - | - | 14,371 | - | - | - |
| Total : | | 2,743,521 | - | 2,102,275 | 2,655,366 | - | - |

NOTE 15: Inventories

IN RON

| | Balance as at 31 December 2009 | Balance as at 31 December 2010 |
|--|--------------------------------|--------------------------------|
| Raw materials and consumables | 4,507 | 5,019 |
| Finished products and goods | 3,967,421 | 3,796,844 |
| Provisions for the impairment of merchandise inventories | (424,721) | (534,803) |
| Prepayments for inventory purchase | - | - |
| Total | 3,547,207 | 3,267,060 |

IN INR

| | Balance as at 31 December 2009 | Balance as at 31 December 2010 |
|--|--------------------------------|--------------------------------|
| Raw materials and consumables | 63,839 | 7,109 |
| Finished products and goods | 56,195,765 | 5,377,966 |
| Provisions for the impairment of merchandise inventories | (6,015,878) | (757,511) |
| Prepayments for inventory purchase | - | - |
| Total | 50,243,725 | 4,627,564 |

NOTE 16: Foreign currency payables and liabilities

Current assets and liabilities as of 31 December 2010 are in RON, the company has no current assets and liabilities in foreign currency.

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NOTE 17: Cash and cash equivalents

| IN RON | | |
|--|---|---|
| | Balance as at 31 December 2009 | Balance as at 31 December 2010 |
| Cash in hand | 590 | 678 |
| Cash at bank | 2,197,082 | 3,654,179 |
| Other short term financial investments | 134,937 | 332,541 |
| Total cash and cash equivalents | 2,332,609 | 3,987,398 |

| IN INR | | |
|--|---|---|
| | Balance as at 31 December 2009 | Balance as at 31 December 2010 |
| Cash in hand | 8,310 | 955 |
| Cash at bank | 30,944,817 | 5,146,731 |
| Other short term financial investments | 1,900,521 | 468,368 |
| Total cash and cash equivalents | 32,853,648 | 5,616,054 |

Cash at bank includes cash limited to the value of RON 305,640 [INR 430,479] representing warranties from treasurers (the equivalent of USD 95,378) [INR 4,257,946] as well as deposits for the issuance of letters of guarantee, amounting to RON 332,541 [INR 468,368] (the equivalent of USD 103,773) [INR 4,632,723].

Short term investments also include overnight deposits, amounting to RON 2,691,399 [INR 3,790,703].

NOTE 18: Reconciliation between trade and accounting earning

The reconciliation between net profit and fiscal profit is presented above:

| IN RON | | | | | |
|---------------|---|-----------|---------------------|---------------------------|---------------------------|
| Crt no. | Indicators | Row | 2009 Value | 01.01-30.09.2010 Value | 01.10-31.12.2010 Value |
| 1 | Gross accounting profit | 01 | (17,570,317) | (6,793,433) | 7,454,269 |
| 2 | Deductions | 02 | 19,869 | 4,012,297 | 381,792 |
| | Out of which: | | | | |
| | - fiscal depreciation | | 19,869 | 14,299 | 4,766 |
| | - legal reserve - 5% of the annual accounting profit within the limit of 20% of the registered capital | | - | - | - |
| | - other deductible amounts within the limits stipulated by the applicable law | | - | 3,997,998 | 377,026 |
| 3 | Non-taxable income | 03 | 955,453 | 1,346,857 | 537,257 |
| | Out of which: | | | | |
| | - dividends received from another Romanian legal person | | - | - | - |
| | - other non-taxable income | | 955,453 | 1,346,857 | 537,257 |
| 4 | Non-deductible expenses | 04 | 18,003,452 | 2,317,951 | 1,649,362 |
| | Out of which: | | | | |
| | - fines, increases and penalties due to the Romanian authorities | | 22,009 | 22,036 | - |
| | - protocol expenses exceeding the limits stipulated by law | | 148,307 | 119,563 | 636 |
| | - patronage expenses | | 243,772 | 345,353 | 282,906 |
| | - expenses on non-deductible depreciation for fiscal purposes | | 31,848 | 13,419 | 4,473 |
| | - amounts used for the set up of non-deductible provisions stipulated by law | | 16,995,127 | 984,208 | 1,183,027 |
| | - expenses on non-deductible interests for fiscal purposes, which are not reported for the subsequent periods | | - | - | - |
| | - other non-deductible expenses for tax purposes | | 562,389 | 833,372 | 178,320 |
| 5 | Taxable profit/ fiscal loss (line 01 –line 02 -line 03 +line 04) | 05 | (542,187) | (9,834,637) | 8,184,582 |

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| | | | | | |
|-----------|--|-----------|---------------------|---------------------|---------------------|
| 6 | Fiscal loss to recover from previous year | 06 | (1,324,284) | (1,866,471) | (11,701,108) |
| 7 | Fiscal loss to be recovered within next years | 07 | (1,866,471) | (11,701,108) | (3,516,526) |
| 8 | Total profit tax | 08 | - | - | - |
| | Out of which: | | | | |
| | - tax on current profit chargeable by a 16% rate | | - | - | - |
| | - tax on current profit chargeable by a 5% rate | | - | - | - |
| 9 | Profit tax deductions calculated in accordance with the applicable law | 09 | - | - | - |
| 10 | Profit tax payable (line 08 – line 12) | 10 | - | - | - |
| 11 | Amounts representing sponsorship, private scholarships within the limit stipulated by law | 11 | - | - | - |
| 12 | Final profit tax payable (line 10-line 11) | 12 | - | - | - |
| 13 | Minimum tax due | 13 | 14,667 | 16,500 | - |
| 14 | Net book profit (line 01 – line 13) | 14 | (17,584,984) | | 644,336 |

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IN INR

| Crt no. | Indicators | Row | IN INR | | |
|-----------|---|-----------|---------------|---------------------------|---------------------------|
| | | | 2009 Value | 01.01-30.09.2010 Value | 01.10-31.12.2010 Value |
| 1 | Gross accounting profit | 01 | (24,887,135) | (9,622,426) | 10,558,455 |
| 2 | Deductions | 02 | 28,143 | 5,683,140 | 540,782 |
| | Out of which: | | | | |
| | - fiscal depreciation | | 28,143 | 20,254 | 6,751 |
| | - legal reserve - 5% of the annual accounting profit within the limit of 20% of the registered capital | | - | - | - |
| | - other deductible amounts within the limits stipulated by the applicable law | | - | 5,662,887 | 534,031 |
| 3. | Non-taxable income | 03 | 1,353,333 | 1,907,729 | 760,987 |
| | Out of which: | | | | |
| | - dividends received from another Romanian legal person | | - | - | - |
| | - other non-taxable income | | 1,353,333 | 1,907,729 | 760,987 |
| 4 | Non-deductible expenses | 04 | 25,500,640 | 3,283,217 | 2,336,207 |
| | Out of which: | | | | |
| | - fines, increases and penalties due to the Romanian authorities | | (2,643,727) | 31,212 | - |
| | - protocol expenses exceeding the limits stipulated by law | | 210,067 | 169,353 | 901 |
| | - patronage expenses | | 345,286 | 489,169 | 400,717 |
| | - expenses on non-deductible depreciation for fiscal purposes | | 45,110 | 19,007 | 6,336 |
| | - amounts used for the set up of non-deductible provisions stipulated by law | | 24,072,418 | 1,394,062 | 1,675,676 |
| | - expenses on non-deductible interests for fiscal purposes, which are not reported for the subsequent periods | | - | - | - |
| | - other non-deductible expenses for tax purposes | | 1,128,307 | 1,180,414 | 252,578 |
| 5 | Taxable profit/ fiscal loss (line 01 –line 02 -line 03 +line 04) | 05 | (1,087,776) | (13,930,081) | 11,592,892 |
| 6 | Fiscal loss to recover from previous year | 06 | (2,656,878) | (2,643,727) | (16,573,807) |
| 7 | Fiscal loss to be recovered within next years | 07 | (3,744,656) | (16,573,807) | (4,980,915) |
| 8 | Total profit tax | 08 | - | - | - |
| | Out of which: | | | | |
| | - tax on current profit chargeable by a 16% rate | | - | - | - |
| | - tax on current profit chargeable by a 5% rate | | - | - | - |
| 9 | Profit tax deductions calculated in accordance with the applicable law | 09 | - | - | - |
| 10 | Profit tax payable (line 08 – line 12) | 10 | - | - | - |
| 11 | Amounts representing sponsorship, private scholarships within the limit stipulated by law | 11 | - | - | - |
| 12 | Final profit tax payable (line 10-line 11) | 12 | - | - | - |
| 13 | Minimum tax due | 13 | 20,775 | 23,371 | - |
| 14 | Net book profit (line 01 – line 13) | 14 | (24,907,909) | | 912,657 |

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NOTE 19: Contingent liabilities

Romanian tax-related laws and regulations, the laws regarding exchanges in foreign currency and loans in foreign currency are changing frequently. In the event that the interpretation of the tax regulations by the Tax Authorities does not coincide with that of the tax payer, additional taxes and penalties may be levied, including late payment penalties applied on the additional taxes that may be levied.

The Company considers that all the tax liability related to this period were recorded and disclosed in the financial statements as at 31.12.2010.

NOTE 20: Risk management

The following is a summary of the nature of activities and management policies with respect to risk management:

i) Foreign currency risk and inflation

The Company is engaged only in selling and purchase transactions in RON, therefore is not exposed to currency risk and has not a significant history related to foreign currency risk.

ii) Interest rate risk

The Company implemented a cash management policy to closely monitor the idle funds. Accordingly, most of the Company's interest earning assets as at 31 December 2010 comprises the short-term investments in bank deposits. These assets have variable interest rates reprised at maturity at the discretion of the financial instrument issuer. The Company did not acquire any hedging instruments in relation to interest rate fluctuations.

iii) Credit risk

In the normal course of its business, the Company is subject to credit risk principally from trade debtors. Management closely monitors its exposure to credit risk on a regular basis. Credit risk regarding trade receivables is not limited due to a large number of customers comprising the Company's customer base.

The main customers of the Company, as a percentage of sales are presented below:

| | 2009 | 2010 |
|---------------------------------|----------------|----------------|
| S.I.E.P.C.O.F.A.R. SA Bucuresti | 7,19% | 17,62% |
| S.C.ROPHARMA SA BRASOV | 7,42% | 16,40% |
| S.C.PHARMA S.A. | 3,06% | 4,95% |
| SC BIO EEL SRL TG.MURES | 1,42% | 3,68% |
| FARMACOM S.A. BRASOV | 9,02% | 3,25% |
| MYOSOTIS SRL GALATI | 0,89% | 2,10% |
| DEPOFARM SRL RM VILCEA | 0,78% | 1,48% |
| ANCA FARM BOTOSANI | 0,48% | 0,92% |
| MEDIMFARM S.A. PLOIESTI | 1,46% | 0,91% |
| MONTERO S.A. | 12,26% | 0,00% |
| ALTI CLIENTI | 56,02% | 48,70% |
| TOTAL | 100,00% | 100,00% |

NOTE 20: Risk management (continued)

iv) Market risk

The Romanian economy is continuing its development and there are ongoing changes as policies and legislation are aligned to the European Union membership requirements. Potential changes in conditions that might take place in Romania and their effect on the financial position, result of operations and cash flows of the Company, and have not been taken into consideration when preparing the financial statements.

Administrators
Sd/-
Damian Dragos-Eugen and Ungureanu Bogdan

Prepared by,
Sd/-
Barnovschi Ancuta
Chief accountant

Place: Bucharest
Dated : March 3, 2011