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## **PRESS RELEASE**

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### **PLIVA ANNOUNCES SALE OF VETERINA d.o.o.**

In line with its strategy of focusing on its core pharmaceuticals business, PLIVA has decided to divest VETERINA d.o.o, the leading Croatian manufacturer of animal health products. In the last several years, PLIVA has been divesting its non-core daughter companies.

VETERINA d.o.o. is PLIVA's daughter company, entirely owned by PLIVA. The company has been acting independently as of 1 January 2001. It has a long tradition in animal health production, dating back to the beginning of the 20th century.\* VETERINA has a strong portfolio of world recognised vaccines, feed additives and generic products, as well as plant protection products, which are the foundation for sustainable growth and development of the company.

VETERINA is interested in joining strengths with a strategic partner to take advantage of the opportunities on CEE markets, in line with its vision of becoming the leading regional manufacturer of innovative and high quality veterinary and plant protection products. VETERINA is a customer intimate company dedicated to meeting the specific needs of its customers in the area of animal health, and advancing veterinary and agrochemicals production as a precondition for the production of health foods and protecting the health of people.

In 2002, VETERINA d.o.o. revenues increased by 3.0% (compared to 2001) to HRK 237.7 m. Operating profit was HRK 29.6 m. Sales on international markets in 2002 increased by 14.7% compared to the previous year, with the most important markets being Bosnia and Herzegovina, Slovenia, USA and Germany.

PLIVA is convinced that the search for a strategic partner for VETERINA will be as successful as it was for its cosmetics and foodstuffs businesses in previous years, and that VETERINA will hold as strong a position on the Croatian and CEE markets as CEDEVITA d.o.o. and NEVA d.o.o.

PLIVA's advisors in the sale of VETERINA are Deloitte & Touche, a world renowned consulting company. During the process of divesting VETERINA d.o.o., the Croatian branch of Deloitte & Touche will provide PLIVA with expert investment banking services.

\* The origins of veterinary production in PLIVA date back to 1901 when the Royal Croatian-Slavonian State Bacteriologic Institute was founded. Serums and vaccines were manufactured even then, and since 1923 production also included anthrax vaccine, gas oedema, swine erysipelas, fowl cholera and various vaccines. The Veterinary department of the Hygiene Institute, established in Zagreb in 1927, had its facilities in Kalinovica where serums were manufactured for use both in human and veterinary medicine. In 1936, swine plague serum production started. Integration of the Kalinovica Serum Institute and PLIVA was finalised early in 1970. The period that followed profoundly shaped the manufacturing tradition of the Kalinovica Serum Institute, marked by constant scientific and research development. The entire product portfolio of Kalinovica was transferred to PLIVA – from biological products, chemopharmaceuticals, feed additives, to pesticides and plant protection products. In 1992, PLIVA's veterinary operations became the Animal Health and Agrochemicals business area.

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