



# Annual Report 2003







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# KEY FINANCIAL HIGHLIGHTS



	USD m	HRK m	EUR m
<b>Total revenue</b>	<b>1,077.7</b>	<b>7,221.8</b>	<b>954.8</b>
change from previous year	32.1%	12.6%	10.3%
<b>Sales</b>	<b>862.1</b>	<b>5,777.2</b>	<b>763.8</b>
change from previous year	31.3%	11.9%	9.6%
<b>Gross profit</b>	<b>659.4</b>	<b>4,418.6</b>	<b>584.2</b>
change from previous year	30.8%	11.4%	9.1%
<b>Earnings before interest and tax (EBIT)</b>	<b>179.1</b>	<b>1,200.5</b>	<b>158.7</b>
change from previous year	-9.1%	-22.5%	-24.7%
<b>Profit before tax</b>	<b>167.3</b>	<b>1,121.2</b>	<b>148.2</b>
change from previous year	-18.6%	-30.7%	-32.1%
<b>Net profit</b>	<b>146.8</b>	<b>984.1</b>	<b>130.1</b>
change from previous year	-8.6%	-22.1%	-23.7%
<b>Total assets</b>	<b>1,628.9</b>	<b>9,966.7</b>	<b>1,303.4</b>
change from previous year	17.9%	0.9%	-1.8%
<b>Shareholders' equity</b>	<b>1,067.1</b>	<b>6,529.1</b>	<b>853.8</b>
change from previous year	24.9%	7.0%	4.1%
<b>Investment in assets</b>	<b>88.5</b>	<b>593.3</b>	<b>78.4</b>
change from previous year	11.8%	-4.7%	-6.7%
<b>Total R&amp;D costs</b>	<b>108.0</b>	<b>723.9</b>	<b>95.7</b>
change from previous year	55.5%	32.5%	29.7%
<b>Earnings per share (EPS)</b>	<b>8.47</b>	<b>56.79</b>	<b>7.51</b>
change from previous year	-8.3%	-21.9%	-23.5%
<b>Sales per employee</b>	<b>125.5</b>	<b>840.7</b>	<b>111.2</b>
change from previous year	36.0%	15.9%	13.5%
<b>Average number of employees</b>	<b>6,872</b>		
change from previous year	-3.5%		

USD, HRK, EUR

in 000

# LETTER TO SHAREHOLDERS



## Dear Shareholders

Let me start by saying that the year 2003 will be remembered as a landmark one in PLIVA's history thanks to the many achievements made during the year as reflected in the Company's business results. In 2003, the Company broke the USD 1 billion total revenue mark, a fine business result that places PLIVA among the prominent generics companies of the world. The good number of new products launched, the development of a strong marketing network and PLIVA's powerful expansion into key international markets stand behind this success. Our key international markets, those of the US and the EU, already contribute more than 50% of PLIVA's finished dosage form revenues.

The year was marked by PLIVA's consolidation, focusing on the optimization and integration of the Company's business processes, as well as the redefinition of its organizational structure. Supported by the exceptional efforts of its Management Board, its managers and all its employees, PLIVA went through a process of comprehensive transformation to achieve its strategic goals on the global pharmaceuticals market. The solutions offered by the New PLIVA project will enable us to fully capitalize on Group synergies and ensure the Company's sustainable growth. A new functional organization, a new system of management and the separation of global and local operations have provided us with a firm basis for further development. A significant part of the New PLIVA project

was directed towards the building of a company culture rooted in PLIVA's values and operating principles. PLIVA has also secured a stimulating, multi-cultural work environment where the professional improvement of its experts is encouraged.

PLIVA's business year 2003 saw Group revenue increasing 32.1% and gross profit increasing 30.8%. However, 2003 operating profit was to some extent adversely affected by one-off expenditure for structural adjustments.

A cycle of intensive investment over the past several years - featuring strong expansion and acquisitions activity - is now completed, and we are looking at a new cycle, driven predominantly by organic growth. The 60+ molecules in development

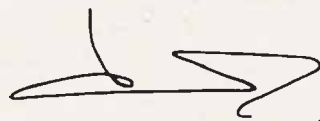
and the several hundred products pending registration support our strong arguments for a further increase in revenue in the future. Our confidence is also bolstered by the promising performance of several new potential products in advanced stages of clinical trials.

According to projections, 2004 sales are expected to rise by at least 10% on the Group level, predominantly driven by prescription medicines. The US and Western Europe will continue to be our principal markets and will see further launches of products from PLIVA's development. Double-digit growth rates and continued momentum in new product launches are expected for these markets. A Group-wide cost control effort will remain an important part of PLIVA's business

strategy in 2004. While EBIT and EPS are expected to outgrow sales, R&D costs will maintain their current dynamics at 10% of revenue. PLIVA's transformation calls for a resolute management team to spearhead its new development cycle. The Management Board believes that PLIVA's highly experienced international management will contribute greatly to a successful change process. The achievement of PLIVA's ambitious mid-term and long-term business goals will also be substantially supported by the realization of global synergies of the expert knowledge, competencies and skills of its employees, reinforced by their motivation and dedication to teamwork in an international environment. Our lasting commitment is to secure a competitive position for PLIVA in the global pharmaceuticals arena and thus

create value not only for shareholders and employees but also for the broader community, as its responsible partner.

My sincere thanks go to you - our shareholders, business partners and customers as well as all PLIVA Group employees and managers - for your confidence and support. I am firmly convinced that together we can address any challenges that the future may bring.



**Željko Čović, MSc**  
**President of the Management Board and**  
**CEO of PLIVA d.d.**

# REPORT OF THE SUPERVISORY BOARD



The Supervisory Board of PLIVA d.d. is of international character and comprises nine independent Members with relevant international expertise who are elected by the General Assembly for a term of four years. The mandate of the Supervisory Board elected at the General Assembly on 3 June 1999 expired in June 2003. At that time, the Supervisory Board consisted of: Massimo Armanini, President; Branko Jeren, Vice President; Zdenko Adrović; David Bloom; Lindsay Forbes; Franjo Luković; Ettore dell'Isola and Martin Pastuović. Further to the proposal of the Supervisory Board, at its meeting held on 10 June 2003, the General Assembly elected nine Supervisory Board Members for a new four-year term: Massimo Armanini; Franjo Luković; Zdenko Adrović; Ettore dell'Isola; Ronald Freeman; Branko Jeren; Michael

Unsworth; Slobodan Vukičević and Ivan Vidaković. The Supervisory Board itself elected Massimo Armanini as President and Franjo Luković as Vice President.

## Supervisory Board activities

During 2003 the Supervisory Board held seven meetings. The Supervisory Board discussed annual, semi-annual and quarterly financial results, business plans, annual budgets, other development projects and risk management policy. It also discussed the Company's long-term strategy and global trends in the pharmaceuticals industry with the Management Board. It supported the management on the Company's business development projects as well as on the project to establish a new corporate structure in order to optimize the management of the Company's assets. Given the fact that PricewaterhouseCoopers

had been the auditors of the Company for a number of years, and irrespective of their very good work during that time, the Supervisory Board believed that a change of auditors would be in line with good corporate governance principles. Therefore, the Supervisory Board proposed to the General Assembly the appointment of KPMG as auditors. In addition, the Supervisory Board discussed and agreed on the amendments to PLIVA's corporate governance principles in order to align them with recommendations on best corporate governance practice. At its meeting held on 10 December 2003, the Supervisory Board appointed Paul D. Cottone as a new Member of the Management Board, and accepted the resignation of Dubravko Mak from the Management Board.

The Audit Committee met three times in 2003 to discuss the 2002 annual results, the engagement of the auditors, the 2003 half-year results, accounting policies and internal audit issues. Members of the Audit Committee also discussed the Committee's own role in light of international guidance, particularly the Smith Report. The Audit Committee reported its conclusions to the Supervisory Board.

The Remuneration and Nomination Committee held two meetings in 2003 to discuss changes in the Management Board and the remuneration policy for

Management Board Members. It presented its conclusions and recommendations to the Supervisory Board in conjunction with an analysis of remuneration policy in the pharmaceuticals industry. The Committee also discussed its role following corporate governance guidance on the role of remuneration and nomination committees.

### Financial statements

The Supervisory Board has reviewed and approved the audited, stand alone financial statements of the Company as well as the audited consolidated financial statements of the Company and its subsidiaries (collectively "the Group") and the Group's interest in associates. These financial statements are issued by the Management Board and are expressed in HRK - the Company's and Group functional currency as defined in International Financial Reporting Standards. Copies of these financial statements may be obtained from the Company.

The Supervisory Board has also reviewed and approved the audited consolidated financial statements of the Group presented in USD, in accordance with International Financial Reporting Standards, as well as the operating and financial review and other management commentary which refers to those financial statements. These USD financial statements, and the accompanying

operating and financial review and other management commentary, are issued by the Management Board as part of the Annual Report.

The Supervisory Board reviewed the report on the status of the Company presented by the Management Board and did not have any remark regarding that report.

### Appropriation of profit

The Supervisory Board also accepted the Management Board's proposal for the appropriation of profit, submitted to the General Assembly, whereby profit of HRK 145,480,922.41 (which amounts to USD 21,709,034.29 according to the average USD exchange rate for 2003) earned by the Company for the year ended 31 December 2003 is proposed to be retained as part of the Company's accumulated 2003 profit,

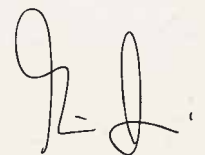
and part of that profit may be allocated to the Company's management as its participation in the 2003 profit by the allotment of the Company's own shares up to the amount of HRK 17,400,000 (which amounts to USD 2,853,067 according to the exchange rate on 23 February 2004), and for the realization of the share option scheme. The Supervisory Board also accepted the Management Board's proposal for the payment of dividends to qualifying shareholders of HRK 16.00 (which amounts to USD 2.62 according to the exchange rate on 23 February 2004) per share from the undistributed retained profit accumulated in the period prior to 2001.

### Audit report

The Supervisory Board has considered and accepts the report of the Company's auditors, KPMG Croatia d.o.o. za reviziju, on the stand alone financial statements of the Company and on the financial statements of the Group presented in HRK and USD.

### Conclusion

Having supervised the Company's operations, the Supervisory Board has established that the Company is operating in accordance with the decisions of the General Assembly, the Company's by-laws and the pertinent legislation of the Republic of Croatia.



**Massimo Armanini, MBA**  
President of the Supervisory Board  
of PLIVA d.d.

# MANAGEMENT BOARD

## **Željko Čović, MSc** **President of the Management Board and CEO**

Began his professional career at PLIVA in 1980. Appointed Director of Food Production in 1985, and Marketing and Sales Director of Food in 1988. Spent two years as a Member of the Executive Council and Secretary for Economic Affairs in the Zagreb City Assembly from 1991 to 1993. Served as Chairman of PLIVA's Board of Directors from 1993 to 1995 and was appointed President of the PLIVA Management Board in 1995. In 1999 received ING Barings and Emerging Markets CEO of the Year Award for Europe, Middle East and Africa. During 2001 and 2002 presided over the Croatian Employers' Association, and since 2002 has presided over the Croatian National Council on Competitiveness.

## **Želimir Vukšić, MD** **Member of the Management Board and COO**

Began his professional career as a medical doctor in 1987. In 1988 started in the pharmaceuticals industry at Knoll AG serving as a Medical Research Associate and later as a Sales Representative. Appointed General Manager for the Croatian and Slovenian markets in 1992 and was Director of Knoll's representative office for Croatia and Slovenia from 1993 to 1996. Joined PLIVA in 1997 as

Director of Marketing and Sales for Pharmaceuticals and in 1999 was promoted to Director of PLIVA's Pharmaceuticals Operations, responsible for strategic marketing, medical affairs, licensing, marketing and sales. Has been a Member of PLIVA's Management Board since 2001.

## **Ivan Mijatović** **Member of the Management Board and CFO**

Began his professional career with the Croatian Ministry of Finance in 1996, where he became Head of the Department for Debt and Cash Management, responsible for financial and debt management strategy and financial relations with international investors and financial institutions on behalf of the Republic of Croatia. Served as

Director of Corporate Strategy at Deutsche Telekom AG in Bonn (2001-2003), responsible for international and portfolio strategy. Also responsible for the management and coordination of strategic cooperation on behalf of Deutsche Telekom Group. In 1999 was appointed Member of the PLIVA Supervisory Board. Has served as PLIVA's CFO and Member of the Management Board since February 2003.

## **Radan Spaventi, MD, PhD** **Member of the Management Board and CSO**

Began his professional career in 1987 when he joined the Ruđer Bošković Institute, Zagreb, where he was later appointed Head of the Laboratory for Molecular Pathology, Department of Molecular Medicine (1993). Joined PLIVA in 1995 as the Research Institute Director. A Member of the PLIVA Management Board since 1999. Author of more than 30 scientific research papers published in international journals as well as the author/editor of three books. Received the award for Outstanding Contribution to Medical Science (1994) from the Croatian Academy of Science and Arts.

## **Paul D. Cottone** **Member of the Management Board and CEO of PLIVA, Inc. (US)**

Began his professional career in 1972 with Merck and Company. The majority of his career in the healthcare industry was spent

managing divisions and subsidiaries for Merck and Company. In addition, was President and CEO of Mallinckrodt (1994) and then Sidmak Laboratories, Inc. (1998). His international assignments resulted in a strong background in management and marketing, by operating subsidiaries for Merck in Australia, New Zealand, Brazil, Japan and the Pacific Rim. As President and CEO of Sidmak Laboratories, Inc. he was responsible for a number of projects including PLIVA's acquisition of the company with its subsequent renaming as PLIVA, Inc.. Was named a Member of the Management Board of PLIVA d.d. effective 11 December 2003.

Note: Dubravko Mak was the Member of the Management Board responsible for Global Business Development until 10 December 2003. Mr Mak joined PLIVA in 1983 and contributed significantly to the advancement of PLIVA during his time with the Company.

**Želimir Vukšić****Ivan Mijatović****Željko Čović****Radan Spaventi****Paul D. Cottone**

Number of shares held as at 31 December 2003:

669	–	4,015	1,047	–
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# CORPORATE GOVERNANCE

## **PLIVA's principles of corporate governance**

PLIVA acts in accordance with the highest standards of corporate governance in order to ensure that it carries out its legal fiduciary duty to represent the best interests of its shareholders. All PLIVA companies and employees are also required to work to the highest ethical standards and conduct business with honesty, integrity, fairness, due skill, care and diligence.

## **The Management Board**

The role of the Management Board is to manage the Company's business in order to generate value for the shareholders. As the Company's executive body, the Management Board represents the Company towards all third parties. It reports to the Supervisory Board regularly - at least quarterly on financial and company performance results, and at least annually on business policy and long-term strategy. It also reports to shareholders and executes decisions of the General Assembly.

Each Member of the Management Board has an area of business responsibility for which s/he coordinates processes and activities within the business plan, coordinates permanent rationalization and area efficacy and makes operational decisions (except those that the Management Board makes jointly at its meetings).

## **The Supervisory Board**

The Supervisory Board oversees the Management Board's activities, ensuring legal compliance. It reports to the General Assembly on this matter, as well as on the accuracy of financial reports. The Board discusses company strategy, investment policy and business development and also scrutinizes the systems for risk management and internal audit/control.

As well as electing Members of the Management Board, the Supervisory Board also determines their remuneration, based on the recommendation of the Remuneration and Nomination



Committee. The Board also proposes the appointment of auditors and gives its opinion on the Management Board's proposal on profit distribution.

### **The Audit Committee**

The Audit Committee is composed of three independent Members of the Supervisory Board, to which it reports. The Committee assists the Supervisory and Management Boards in the effective discharge of their responsibilities for corporate governance, financial reporting and corporate control by: reviewing half-year and full-year results; assessing audited and reviewed financial statements; recommending engagement of

external auditors; reviewing accounting policies and audit procedure; assessing the risk management system and reviewing the system of internal control.

### **The Remuneration and Nomination Committee**

The Remuneration and Nomination Committee consists of three independent Members of the Supervisory Board. It makes recommendations to the Supervisory Board on: Management Board appointments and their remuneration packages, based on performance; succession planning for the Management Board and the election of Members of Supervisory Board Committees.

### **The General Assembly**

The General Assembly of shareholders makes decisions regarding the distribution of profits, amendments to the Articles of Association and changes in the Company's share capital. It also oversees the election and removal of Supervisory Board Members, the work of the Supervisory and Management Boards and the appointment of the PLIVA Group auditors.



# BUSINESS REPORT





## PHARMACEUTICALS

PLIVA's global Pharmaceuticals business passed a significant milestone in 2003 as the early signs of the transformation from consolidation phase to organic growth phase began to appear. Naturally, one-time items connected with restructuring impacted on operating margins, but like-for-like sales comparison in the third and fourth quarter shows strong growth in 2003, driven particularly by the US and Western European markets. Globally, over 180 products were launched, further enriching PLIVA's wide product portfolio and confirming its commitment to excellence in the pharmaceuticals sector.

### PLIVA in the US

PLIVA, Inc. was a major growth driver for PLIVA Group in 2003, making up a third of total Pharmaceuticals sales for the year. Despite strong generics competition, PLIVA, Inc.'s generics strategy resulted in 21 of its 31 generic products having either the largest or second largest market share for their class (source: IMS, December 2003).

In anticipation of generics competition to Urecholine, PLIVA launched its own generic, bethanechol chloride - now the leading generic in its class on the market. During the year PLIVA, Inc. also received

tentative approval for its generic version of the anti-fungal drug Diflucan (fluconazole), which will be launched in 2004 after patent expiration.

The year saw the full functional and operational integration of the US business into PLIVA Group - including the successful communication of the name change. PLIVA, Inc.'s branded business, Odyssey Pharmaceuticals, also brought its sales force in-house during the year, which allowed the expansion of sales territories.

### PLIVA in Western Europe

Western Europe was the second major growth driver for PLIVA in 2003, making up just under 20% of total Pharmaceuticals sales and fuelling overall growth. There were over 100 product launches in total throughout the region.

Germany's AWD.pharma successfully launched eight molecules and 17 product forms, helping to maintain the country's status as PLIVA's leading market in the region. The cardiovascular products Simvacard (simvastatin) and Toracard (torasemide) stand out as the most successful launches of the year. Toracard was the first generic torasemide in the country, and its success was further enhanced through the use of an out-licensing partnership strategy to pre-empt generics competition.

The acquisition of Edigen in Spain, and the subsequent exploitation of product portfolio synergies with PLIVA Pharma Iberia, completed PLIVA's cycle of acquisition in early 2003. This puts PLIVA in tenth position in the generics ranking in Spain, with 29 generic products on the





market in different pharmaceutical forms (source: IMS, December 2003). PLIVA has one of the fastest growth rates among generics companies in Spain, mainly due to the expanded sales force size this year.

PLIVA Pharma in Italy, with its start up operations, more than doubled its market share among generics companies during 2003 in what is an extremely competitive local market. Sales grew fourfold compared with 2002 levels, and so PLIVA now ranks eighth on the generics market in Italy (source: IMS, December 2003). Its successful business strategy, supported by the launch of 17 molecules and 29 product forms during the year, centers on

exploiting the government incentives in place designed to increase the market penetration of generics.

#### **PLIVA in Central and Eastern Europe**

The region continued to be a key one for PLIVA in 2003, despite significant challenges and increasing generics competition throughout CEE. For example, Poland and Croatia suffered particularly from the delayed introduction of the reimbursement lists and other regulatory issues, hindering growth via new product launches. Despite the Russian market's serious exposure to counterfeit and competitor goods, sales rebounded in the second half of the year, and PLIVA still

managed to record sales growth due to its counter measures, such as the introduction of protected and local language packaging.

The establishment of PLIVA Croatia as a legal entity at the year-end reflects PLIVA's desire to keep its position as the pharmaceuticals company with the largest market share in the country by improving customer focus in an increasingly competitive environment (source: IMS, December 2003). The introduction of innovative new packaging and dosage forms for Statex (simvastatin) and Cipromed (ciprofloxacin) in Croatia during the year reflects that emphasis on customer focus.

Other successful efforts to anticipate competition in CEE during the year include PLIVA Slovenia's cooperation with local pharmaceuticals manufacturer Galex and the launch of Zitrocin, PLIVA's second brand of Sumamed, on the Czech market as part of a strategy to defend against generic competition.



## RESEARCH AND DEVELOPMENT

In line with New PLIVA, R&D restructured its operations in 2003 to fully take advantage of and integrate each of its research and excellence centers. With each R&D site offering specific expertise, R&D will greatly contribute to the growth of both the generic and proprietary lines of business, increasing efficiency while streamlining R&D activities.

During 2003 PLIVA continued to invest substantially in R&D, with approximately 10% of total revenues being allocated to this segment. R&D has maintained a highly competitive productivity level, with over 600 new submissions made to regulatory authorities worldwide. Approvals for nearly 30 molecules were received in WE and the US.

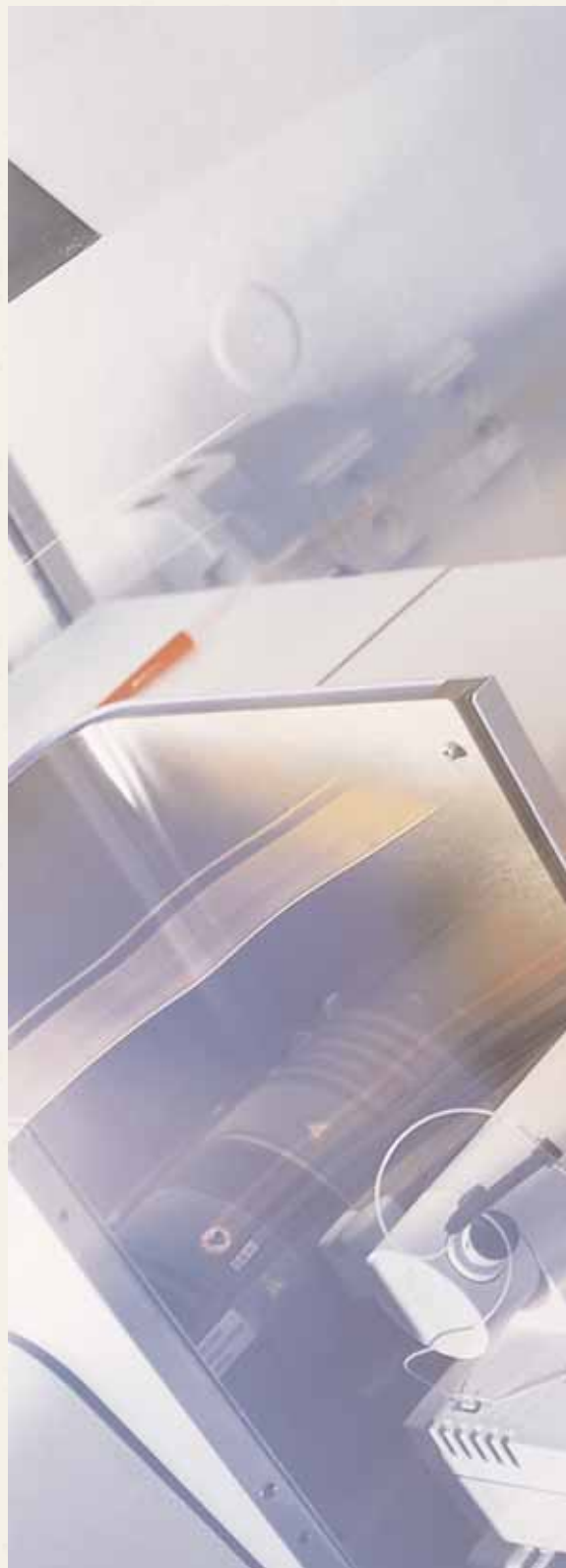
### Generics

PLIVA continued the development of a broad portfolio of over 60 generic molecules. Some of these have already received approval on key markets, including: carvedilol, ciprofloxacin, citalopram, dacarbazine, gabapentin, risperidone, ondansetron, torasemide, enalapril, fluconazole, simvastatin, venlafaxine and zolpidem. The year also marked the first successful MRP approvals for PLIVA to date: Torasemide N, a novel product based on a proprietary crystal form, received approval in Germany,

Sweden, Italy, Spain, Luxembourg, Belgium and Austria, as well as in the UK (as RMS) and was launched in Germany and the UK. As well, ciprofloxacin received approval in Germany, Finland, Sweden, Denmark, Italy and the UK (as RMS).

PLIVA advanced in the development of equivalent biologicals, more specifically biosimilar products, proving its expertise in molecular biology, biosynthesis, protein purification and GMP production/clinical samples supply. The erythropoetin clinical program continued in Croatia, with the 1st Phase III study ongoing. PLIVA is also working on G-CSF project's 1st Phase III study which will start within 1H 2004.

Extensive work in the field of cytostatics continued in 2003, and a separate cooperation agreement was signed with





Dr Reddy's, which is expected to further enrich PLIVA's cytostatic portfolio. This agreement is a further validation of the successful development of the partnership element of PLIVA's R&D strategy.

In line with its strategy of vertical integration, PLIVA also continued with the development of a number of active pharmaceutical ingredients (APIs), such as irinotecan, oxaliplatin, alendronate, pantoprazole and acarbose.

### **Proprietary and specialty pharmaceuticals**

Throughout the course of 2003, PLIVA made substantial progress in advancing its scientific and clinical research and development. During the period, three NCE projects advanced through clinical programs, one entered pre-clinical development and several advanced through the discovery and pre-clinical phases. PLIVA continued its strong efforts in the R&D-driven specialty pharmaceuticals arena with the addition of three new, late stage projects. The substantial progress of NCEs in clinical development can be noted for the following:

PLD-118 is an anti-fungal compound with a novel mechanism of action, and activity against azole-resistant candida species. The 1st Phase II study of oral PLD-118 in

HIV patients with oropharyngeal candidiasis has been completed. Due to the good safety profile in this study, a 2nd Phase II study that will explore further dose refinement in patients with oropharyngeal candidiasis is underway. The 1st Phase II study in patients with vaginal candidiasis is being implemented following a meeting with the US FDA in December 2003.

PLD-116 is a novel peptide with anti-inflammatory and wound healing properties with regards to inflammatory bowel disease. A 1st Phase II efficacy and safety study in patients with ulcerative colitis was completed in 2003. In this placebo-controlled study, patients treated with PLD-116 showed significant improvement against disease activity over placebo treated patients, which appeared

to be clinically meaningful. A second, confirmatory Phase II study is planned.

PLD-147 is a novel, orally active platinum-based cytostatic for the treatment of solid tumors. This compound entered Phase I clinical trials in 2003. In this first study of escalating doses of PLD-147, the safety and tolerance of PLD-147 in cancer patients is being established.

PLD-177 is a novel, locally acting compound that, with regards to asthma, has demonstrated improved anti-inflammatory and safety properties over currently available inhaled steroids. The molecule entered pre-clinical development during 2003. Also during the year PLIVA entered an agreement with Innovata Biomed for the joint development of PLD-177 in their proprietary, multi-dose





breath actuated dry powder inhaler, Clickhaler.

In the specialty arena, PLIVA has started development on several late stage compounds:

PLD-165 is a late stage project being developed for type II diabetes as a new indication. PLIVA acquired the interests, including intellectual property rights and other human drug related assets, from Ergo Science Corporation. This compound has proven efficacy in adult patients with type II diabetes based on three large, comparative studies and has received an "approvable" letter from the US FDA for

this indication. PLIVA is currently completing a large, simple safety study in patients with type II diabetes as a condition for marketing approval.

PLD-179 is being developed for non-obstructive bladder urinary retention by way of a novel buccal delivery system. This delivery system, due to an improvement in the pharmacokinetics of the compound, will offer patients an alternative treatment that is likely to be better tolerated and more effective than the currently available formulation.

PLD-180 has demonstrated activity in the transgenic mouse model of Amyotrophic

Lateral Sclerosis (ALS) in a pre-clinical study that was completed in 2003. This compound is being developed for the treatment of ALS as a new formulation and indication.

In the discovery arena, the focus remained on anti-infectives and anti-inflammatories. In anti-infective research, PLIVA continued its collaboration with GlaxoSmithKline on a program to develop a new generation macrolide antibiotic. In the anti-inflammatory domain, PLIVA has continued research with the PLR 14 anti-inflammatory program aimed at developing small molecule inhibitors of TNF-alpha production through inhibition of cytokine transcription.

Overall, PLIVA offers a well-balanced portfolio of products from pre-clinical to Phase III, while its research program includes new molecules with promising market possibilities.



## OTC

PLIVA's OTC business in 2003 continued to consolidate its strong position in the three major markets of Poland, Croatia and Russia, despite aggressive competition. The final quarter of 2003 was marked by two product launches in Poland, Ranimax and Maxflu. Ranimax, the first OTC 150mg tablet form of ranitidine, achieved a 30% market share in its class and 80% market coverage within its first three months on the market (source: IMS, December 2003). Following its successful launch in Croatia in 2002, Maxflu, a unique cold and flu medicine in effervescent form, was also launched in Poland in 2003. This is in line with PLIVA's strategy to develop the business via new product launches in attractive niche markets.

## FINE CHEMICALS

The New PLIVA project saw Fine Chemicals begin to be functionally integrated into the PLIVA global product supply chain where Fine Chemicals will play a pivotal role in supplying the APIs for corporate products to PLIVA's companies worldwide, thus facilitating vertical integration. The successful launch of Torasemide N in 2003 and the patenting of a new purification process for acarbose in the United States, as well as other products in late stage development, are indicative of future growth.



## DDDI

The division's portfolio of Diagnostics, Dialysis products, Disinfectants and Infusion solutions caters to a wide range of customer needs, with products being exported to some 20 countries worldwide in 2003. Of those, Croatia, the Czech Republic, Slovenia, and Bosnia & Herzegovina continue to be DDDI's key markets. The division's leading products, saline solution and glucose (infusion solutions), BLT, PHAN strips (diagnostics), Plivasept (disinfectants) and transfusion tests (Axsym, Prism, IMX), generally maintained an upward trend and a consistently high share of those key markets.



## ANIMAL HEALTH AND AGROCHEMICALS

During 2003, PLIVA's non-core Animal Health and Agrochemicals business, VETERINA d.o.o., continued the production of its leading products, including the Kostovit (vitamin and mineral feed additives), Vetoflok (enrofloxacin), Plivak (swine fever vaccine) and Trimetosul (potentiated sulphonamide) ranges.

The year saw the launch of a project for the production and distribution of VETERINA's poultry vaccines to the Middle East, Far East and Asia. VETERINA also brought a number of animal health products and agro products to the immediate pre-launch phase during the year - and it also has eleven animal health and eight agro products in research, plus six animal health and seven agro products in preparation.

In recognition of its business achievements, VETERINA won the prestigious Golden Kuna award for the most successful company in Zagreb county (2002).



# SUSTAINABLE DEVELOPMENT

PLIVA's commitment to Sustainable Development (SD) was reinforced in 2003 through its ongoing activities to ensure the long-term social, economic and ecological stability and development of the communities to which it belongs. PLIVA is recognized as an active participant on the international SD stage through its involvement in the World Business Council for Sustainable Development, under the management of PLIVA's SD Committee.

through better corporate risk management and use of capital.

In 2003 PLIVA Kraków was named as the Best Polish Company in terms of environmental and health protection standards by Gazeta Krakowska. PLIVA Lachema also won the right to use the Czech Chemical Industry Union's Responsible Care logo, the industry's voluntary sign of respect for the environment.

## Health, Safety and Environment (HSE)

The establishment in 2003 of a worldwide Health, Safety and Environment (HSE) functional reporting unit - with a professional Global Health, Safety and Environment Director - is designed to ensure further improvements in both HSE risk management and the optimal use of resources. For example, the new unit has introduced enhanced HSE evaluations of proposed projects, which involves building in appropriate control processes and technologies at the design stage, rather than post-hoc. This not only benefits the communities within which PLIVA operates, but also PLIVA's employees through safer working conditions and its shareholders





Health for PLIVA is not simply a matter of the medicines it produces. PLIVA supports lifelong healthy living - not only to restore health, but also to prolong and enhance healthy lives for all its employees, their families and other citizens.

#### **Corporate Social Responsibility (CSR)**

PLIVA's reputation as a socially responsible organization with respect to its stakeholders and the communities in which it operates was enhanced in 2003 through numerous high-profile donations, sponsorships and education projects. Activities centered on the themes of quality of life, health promotion and environmental protection. Support for hospitals - particularly pediatric units - featured strongly, as did support for disabled people during what was the European Year of People with Disabilities. Action included support for those with special needs, Cerebral Palsy, Poliomyelitis and visual disabilities - and PLIVA was proud to sponsor the outstanding disabled athlete, Nataša Sobočan.

PLIVA continued to work actively to promote healthy living for the wider community in 2003. Its Croatian healthcare portal, which provides clear information to the public to promote lifelong health, won an award for Best Croatian Website in its class, 2003 ([www.plivazdravlje.hr](http://www.plivazdravlje.hr)), as judged by a leading IT publication. Flu vaccination campaigns, blood screening programs and the support of equipment to detect air allergens are just a few examples of PLIVA's healthy living philosophy in action during the year. Vitamin donations to the poorest communities were also made in 2003, helping over 300,000 people in Poland, the Ukraine and Iraq - and further underlining PLIVA's role as a global corporate citizen.



# FINANCIAL REPORT





## PROFITABILITY

### Profit Structure

USD m

Item	2002		2003		% change 03/02
	Amount	%	Amount	%	
Revenue	815.6	100.0	1,077.7	100.0	32.1
Gross profit	504.2	61.8	659.4	61.2	30.8
Gross profit w/o royalties	363.8	53.9	476.9	53.4	31.1
EBIT excluding restructuring costs	197.1	24.2	213.1	19.8	8.1
EBITDA	257.0	31.5	268.8	24.9	4.6
EBIT	197.1	24.2	179.1	16.6	-9.1
EBT	205.6	25.2	167.3	15.5	-18.6
Net income	160.6	19.7	146.8	13.6	-8.6

PLIVA Group profitability in 2003 was negatively affected by: significant restructuring costs of USD 34.0 m incurred as a part of the New PLIVA project; the change in the accounting for goodwill on acquisition of PLIVA, Inc.; the consolidation of PLIVA, Inc. and Edigen; increased promotional activities in the CEE region; significant R&D activities and unfavorable exchange rate movements. These adverse impacts were partially offset by the increase in royalty revenues and a significant decrease in the effective tax rate.

**GROSS PROFIT** increased 30.8% over that in 2002 to USD 659.4 m while the gross margin of 61.2% remained at the previous year's level.

**EARNINGS before INTEREST, TAX, DEPRECIATION and AMORTIZATION (EBITDA)** amounted to USD 268.8 m, up 4.6% over that in 2002. Restructuring costs of USD 34.0 m were incurred in the reorganization of the Group structure. On a normalized basis, growth was 17.8%. The significant gap between EBITDA and EBIT is a result of the higher depreciation and amortization (D&A) charges which have followed PLIVA's cycle of intensive investment. In 2003, D&A increased 50.5%, reflecting both the effects of the acquisitions of Sidmak (now PLIVA, Inc.) and Edigen and the full-year depreciation of the new Research Institute in Zagreb.

**EARNINGS before INTEREST AND TAX (EBIT)** amounted to USD 179.1 m, a 9.1% fall compared with its previous year level. The fall was primarily attributable to the above-mentioned restructuring costs. These costs covered severance payments for



approximately 10% of the workforce and various other one-time costs related to the closure of parts of operations. On a normalized basis, EBIT grew to USD 213.1 m, but the EBIT margin fell to 19.8%. This was caused by significantly higher operating costs and the adverse impact (11.1%) of exchange rates. The weakened USD, in comparison to the Euro and Euro-linked currencies (including HRK), negatively impacted EBIT since the majority of Group costs was still incurred in Euro-linked currencies, whilst the USD dominated Group revenues. Consequently, a significant part of the growth in all operating costs was attributable to the impact of exchange rate movements.

**General and Administrative (G&A)** costs rose 36.0% to USD 140.5 m, driven by the full-year consolidation of acquired companies, the amortization of increased goodwill, exchange rate movements and administrative fees related to the financing facility of the PLIVA, Inc. acquisition.

**Sales and Distribution (S&D)** costs grew 47.2% over their 2002 levels to USD 197.7 m, mainly driven by the Pharmaceuticals division, with an 18.3% share in the revenue (16.5% in 2002). In addition to the full-year consolidation of PLIVA, Inc., growth resulted from further investment in the sales infrastructure in Europe. Exchange rate movements, the launch of new products in Croatia and the investment in the sales force and promotional activities in Poland also resulted in increased S&D costs in Central and Eastern Europe.

**Research and Development (R&D)** costs rose 55.4% to USD 108.0 m. This amount included USD 8.4 m for the amortization of identifiable intangible assets that were reported as part of the goodwill balance in 2002, and whose amortization had consequently been reported within G&A costs. R&D costs were significantly impacted by the consolidation of acquired companies and unfavorable exchange rate movements. Continuing activities in existing NCE projects, the increased number of drug registrations in all European countries and new development projects further contributed to R&D cost growth. R&D costs account for 10.0% of revenue, a slight increase over the previous year's level of 8.5%.

**EARNINGS BEFORE TAX (EBT)** totaled USD 167.3 m, decreasing 18.6% below 2002. The more rapid fall of EBT than that of EBIT was the result of the fact that in 2003 there was no significant gain on the disposal of shares and on equity accounting for investment in associates as there had been in 2002. Due to unfavorable foreign exchange rate movements, there was a USD 4.2 m loss in 2003 compared with a gain in 2002 of USD 7.5 m.

**NET INCOME** reached USD 146.8 m, decreasing 8.6% compared with the previous year. The net income margin was 13.6%, below the previous year's 19.7%. Net profit was significantly positively affected by a fall in the effective tax rate from 21.9% in 2002 to 12.4% in 2003. A decrease in the tax rate resulted from a new tax incentive for R&D activities in Croatia and tax efficiencies related to the financing of the US acquisition. This more than offset higher tax rates charged on international revenues.

**EARNINGS PER GDR** decreased 8.3% to USD 1.69 in 2003. On a normalized basis, earnings per GDR increased 11.3% to USD 2.06.

## FINANCIAL RESULTS BY DIVISION

Divisional profitability is recorded and reported on the level of divisional operating profit, prior to allocation of goodwill amortization and corporate overheads that cannot be attributed to divisions.

### CORE BUSINESS

#### Pharmaceuticals Rx - Prescription Drugs

The strong internationalization of the Pharmaceuticals business was confirmed by the positive results of PLIVA, Inc. and Edigen following the progress made on their integration. The Pharmaceuticals division recorded total sales of USD 654.4 m, up 47.5% on the previous year. This strong growth was predominantly result of the full-year consolidation of the above-mentioned recently acquired companies.

USD m			
	2002	2003	% change
Pharmaceuticals division	Amount	Amount	03/02
<b>Revenue</b>	<b>456.6</b>	<b>675.6</b>	<b>48.0</b>
<b>Sales</b>	<b>443.7</b>	<b>654.4</b>	<b>47.5</b>
<b>Gross profit</b>	<b>264.3</b>	<b>386.3</b>	<b>46.2</b>
Gross margin	57.9%	57.2%	–
<b>EBIT excluding restructuring costs</b>	<b>72.3</b>	<b>84.2</b>	<b>16.5</b>
EBIT margin excluding restructuring costs	15.8%	12.5%	–
<b>EBIT</b>	<b>72.3</b>	<b>63.8</b>	<b>–11.8</b>
EBIT margin	15.8%	9.4%	–

The operating profit amounted to USD 63.8 m, significantly below its 2002 level, while the EBIT margin fell to 9.4% from 15.8% in 2002. Even on a normalized basis, the EBIT margin (12.5%) was not on the 2002 level. The predominant reason for this decrease resulted from the reallocation of part of the goodwill which arose upon acquisition of Sidmak (now PLIVA, Inc.) to other identifiable intangible assets (marketable products and in-process research). As a result, related amortization costs of USD 8.4 m were reallocated to the Pharmaceuticals division, which in 2002 had only in part been reflected on a PLIVA Group level. A lower EBIT margin was also a result of increased competition on the Central and Eastern European market which led to increased promotional activities. Moreover, there was also the entry of generics competition to Urecholine onto the US market in 4Q.



The portfolio structure by therapeutic area has significantly changed over the last two years. The anti-infectives market has significantly declined. One of the main reasons for this was the US portfolio that increased the share of genito-urinary, muscular system and CNS prescriptions in division sales. Urecholine (bethanechol chloride) and Sumamed (azithromycin) remained the two leading products, with sales of USD 50.7 m (USD 18.8 m in 2002) and USD 48.5 m (USD 43.2 m in 2002), respectively. Their share in total divisional sales was 15.2%.

Total sales in the **Central and Eastern European region** amounted to USD 303.5 m, an 11.1% increase over the previous year. In constant USD terms, sales in the region remained at the previous year's level. The sales on the leading markets of Croatia, Poland and Russia - contributing 67.4% - had a major impact on overall results in the CEE region. Excluding the influence of exchange rate movements, sales in those countries were 3.4% below the previous year's results.

Sales on the **Croatian market** reached USD 114.3 m, increasing 8.5% over that in 2002 but decreasing 7.5%, in local currency terms. Its share in total Pharmaceuticals sales fell from 23.7% in 2002 to 17.5% in 2003, reflecting the increasingly globalized nature of PLIVA's Pharmaceuticals business. Klavocin (co-amoxiclav) maintained its leading position on the Croatian market at USD 12.4 m, up 13.1% (3.6% down excluding exchange rate impact) over 2002 levels. Second ranked Sumamed (azithromycin) rose 5.6% (10% fall) to USD 7.3 m. New products launched over the last five years contributed to Croatian sales, making up 20.9%.

The **Polish market** sales totaled USD 54.8 m, a 5.1% increase on the same period in the previous year but remained flat in local currency terms. The leading products recorded growth compared with the same period of the previous year; for example, Sumamed (azithromycin) remained the leading product with sales amounting to USD 13.9 m, up 17.3% on that of the previous year.

The sales of USD 35.6 m on the **Russian market** were impacted by increased generics competition and counterfeit goods, mostly affecting Sumamed (azithromycin) and Nootropil (piracetam). However, by year-end Russia recorded sales growth of 4.0% on 2002, having strongly rebounded in the second half of the year due to the introduction of measures such as protected and local language packaging. Sumamed (azithromycin), as a leading product, recorded sales of USD 7.4 m, maintaining its previous year's levels in spite of counterfeit and competitor products. The Nootropil (piracetam) sales of USD 4.9 m in 2003 decreased 3.4% compared with that of the previous year.

The sales in **Western European markets** contributed 19.5% to total Pharmaceuticals sales, similar to the previous year's levels. The Pharmaceuticals division concluded its cycle of expansion with the acquisition of Edigen in Spain at the beginning of 2003 and the consolidation of previously acquired and/or established companies in Germany, Italy and the UK. The acquisition of Edigen helped to generate the significant increase in revenues in Western Europe. The region saw more than 100 product launches. Furthermore, a focus on the development of the out-licensing business and partnerships resulted in strong activity involving torasemide in Germany. The total sales on this market rose 49.6% above that of the same period the previous year to USD 127.5 m, and organic growth was 14.5%.

Sales in **Germany** stood at USD 87.4 m, up 23.7% on its 2002 levels, gaining most of their increase from exchange rate movements. As the leading country in the region, Germany continued to out-perform the market mainly due to the eight new launches comprising Mylepsinum (primidone), Oxet (paroxetine), Eldoral (trimipramine), Zolirin (zolpidem), Cilex (citalopram), Simvacard (simvastatin), Toracard (torasemide) and Moxocard (moxonidin) (source: IMS, December 2003).

On the **Spanish market**, PLIVA Pharma Iberia successfully integrated the newly acquired company (Edigen) and exploited synergies of the expanded product portfolio. This ranks Spain as the second country of the region. Sales recorded were USD 12.8 m, rising eightfold on 2002 levels. PLIVA in Spain achieved the fastest growth rate in 2003 among generics companies in the country (for companies recording more than USD 5 m in revenue), primarily due to the expanded sales force size covering the entire territory of Spain. Spain launched four new molecules in 2003, already contributing 5.0% to annual sales.

Following start up operations, **Italy** managed to take a significant market share among generics companies in an extremely competitive local market. The sales of USD 9.4 m reached almost four times that of the previous year. Excellent results were attained by the launch of 17 molecules and 29 product forms, amounting to USD 3.5 m and making up 37.0% of the annual sales.

Sales in the **United Kingdom** of USD 10.0 m rose 47.8% above the previous year's levels. This sales growth was fueled by the successful launch of eleven molecules and 22 product forms, contributing 29.0% to the annual sales.

On the **US market**, PLIVA, Inc.'s share in total Pharmaceuticals sales was 34.1%, with total sales reaching USD 223.4 m. During 2003, the integration of PLIVA, Inc. into PLIVA Group was successfully completed, confirming the US market as the leading and most attractive market in the Group. Sales of the leading product, Urecholine (bethanechol chloride), were USD 50.7 m. Moreover, PLIVA's answer to a generics competitor to Urecholine (bethanechol chloride) was successfully launched in the last quarter and already recorded sales of USD 7.3 m, positioning itself as the leading generic on the market. The launch of torasemide, expected in 2004, will further strengthen PLIVA's position in the US.



## OTC - Non-prescription Drugs

Aggressive competition marked OTC's business operations in 2003. During the year, the division's sales increased 4.8% to USD 41.8 m, solely due to exchange rate movements.

USD m			
OTC division	2002 Amount	2003 Amount	% change 03/02
<b>Revenue</b>	<b>39.9</b>	<b>41.9</b>	<b>5.2</b>
<b>Sales</b>	<b>39.8</b>	<b>41.8</b>	<b>4.8</b>
<b>EBIT excluding restructuring costs</b>	<b>4.4</b>	<b>0.7</b>	<b>-84.4</b>
EBIT margin excluding restructuring costs	11.0%	1.7%	-
<b>EBIT</b>	<b>4.4</b>	<b>0.2</b>	<b>-95.2</b>
EBIT margin	11.0%	0.5%	-

The **Polish market** reported sales of USD 24.6 m, representing a 4.3% rise compared with 2002. In terms of local currency, sales amounted to PLN 95.8 m, a slight 0.6% decrease. The Polish OTC business continues to develop via new product launches in attractive market niches. In September, two new products - Ranimax 150 mg (ranitidine) and Maxflu (paracetamol + pseudoephedrine hydrochloride + ascorbic acid) - were successfully launched.

The **Croatian market**, with the sales of USD 7.5 m, and the **Russian market**, with the sales of USD 5.9 m, remained the only other significant markets for PLIVA's OTC products.

Profitability was strongly influenced by increased S&D costs which rose by 34.4% compared with 2002, mainly reflecting marketing and promotional activities for new products.

## Fine Chemicals

Fine Chemicals posted sales of USD 111.8 m, decreasing 9.7% from 2002 levels, with over 90% of sales being recorded in Western markets.

USD m			
Fine Chemicals division	2002 Amount	2003 Amount	% change 03/02
<b>Revenue</b>	<b>124.5</b>	<b>116.7</b>	<b>-6.3</b>
<b>Sales</b>	<b>123.8</b>	<b>111.8</b>	<b>-9.7</b>
<b>EBIT excluding restructuring costs</b>	<b>38.7</b>	<b>25.0</b>	<b>-35.4</b>
EBIT margin excluding restructuring costs	31.8%	21.4%	-
<b>EBIT</b>	<b>38.7</b>	<b>16.8</b>	<b>-56.7</b>
EBIT margin	31.8%	14.4%	-

**Azithromycin** sales contributed 75.4% to total sales, falling 16.0% from 2002 levels, and amounted to USD 84.3 m, reflecting lower orders placed by Pfizer. Sales of other Fine Chemicals earned USD 27.5 m, rising 17.3% on 2002.

The fall in EBIT margin to 13.5%, even when comparing on a normalized basis, was due to lower sales and unfavorable exchange rate movements.

# INVESTOR INFORMATION





### Share capital and shares

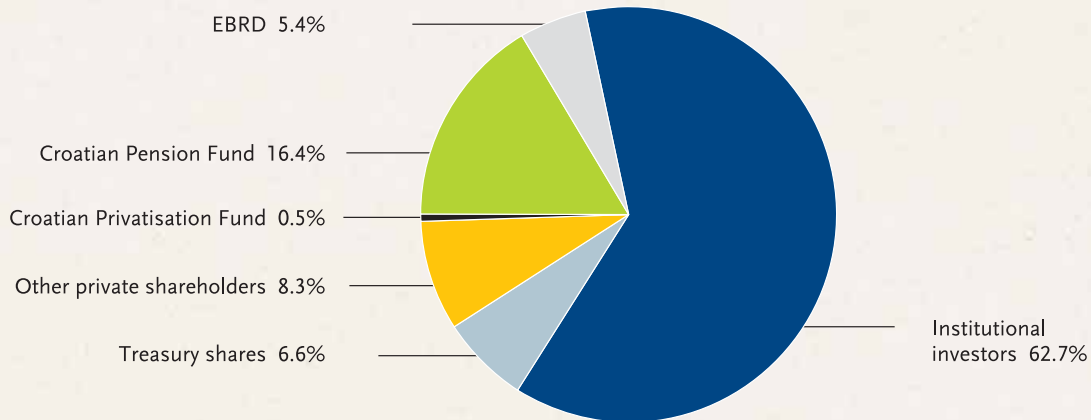
PLIVA's share capital amounts to HRK 1,859,264,800.00 and consists of 18,592,648 shares. These are ordinary registered shares conferring equal rights. Each ordinary share carries the right to one vote at the General Shareholders Meeting.

A portion of PLIVA shares was converted into Global Depository Receipts (GDRs), with each share representing 5 GDRs. GDRs are traded on the London Stock Exchange and all GDR transactions are registered with the depository bank (Deutsche Bank Trust Company Americas, hereinafter Deutsche Bank).

### Ownership structure

There were no major changes in the PLIVA ownership structure compared with 31 December 2002.

PLIVA Ownership Structure as at 31 December 2003



### The 2003 Annual General Meeting

The Annual General Meeting was held on 10 June 2003. The Management Board Report on year 2002 operations and the Company status was accepted, as well as the report of the Supervisory Board on the supervision of the Company's 2002 operations.

Resolutions were passed on 2002 profit allocation and dividend payments. The activities of Management and Supervisory Boards Members were approved. New Supervisory Board Members were elected for a four-year mandate and their remuneration approved. At the proposal of the Supervisory Board, KPMG Croatia d.o.o. were appointed auditors of the Company. General authorization was reconfirmed for the purchase of treasury shares up to a maximum of 10% of authorized capital. Consent was given to the Management Board of the Company to establish a new corporate structure in order to optimize PLIVA d.d.'s asset management.

### Dividends and dividend policy

In 2003, dividends for the financial year 2002 were paid to all shareholders registered with the Central Depository Agency on 7 May 2003. The total amount paid out on 18 September 2003 was HRK 294,187,261.00, or HRK 17.00 per share, which is equivalent to USD 0.51 per GDR based on the average exchange rate in 2003.

The proposed net dividend for 2003 is HRK 16.00 per share, to be paid out from previous years' retained earnings, 2000 inclusive. The dividend will be effectively paid out in HRK; however, for comparison purposes, this is equivalent to USD 0.52 per GDR based on Croatian National Bank's mean exchange rate issued on 23 February 2004.

Since dividends are paid out from the retained earnings from previous years, they are not subject to the 15% dividend tax pursuant to the Profit Tax Act and Income Tax Act.

The last day for acquiring the right to a dividend payment is 29 April 2004 for holders of ordinary shares, and 30 April 2004 for GDR holders, while the dividend will be paid to all shareholders entered into the records of the Central Depository Agency as at 5 May 2004. The dividends will be paid out on 9 July 2004.

### Further information

PLIVA d.d. became a member of the Central Depository Agency on 19 July 1999. Since that date, the Agency has been responsible for maintaining data from PLIVA's Share Register, as well as for the clearing and settlement of all PLIVA share transactions on the Zagreb Stock Exchange. The term for clearing and settlement is T+4 days on the Zagreb Stock Exchange and T+3 days on the London Stock Exchange.

GDR transactions concluded on the London Stock Exchange are registered with Deutsche Bank, PLIVA's depository agent, located at 60 Wall Street, New York, NY 10005, or through their London office at 33 Old Broad Street, London EC2N 1HZ.

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## CORPORATE INFORMATION

### Corporate Headquarters

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### MANAGEMENT BOARD AND EXECUTIVE COMMITTEE

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**Željko Čović**

President and CEO<sup>1</sup>

**Želimir Vukšić**

MB Member and COO<sup>1</sup>

**Ivan Mijatović**

MB Member and CFO<sup>1</sup>

**Radan Spaventi**

MB Member and CSO<sup>1</sup>

**Paul D. Cottone**

MB Member and CEO of PLIVA, Inc.<sup>1,2</sup>

**Richard Blythe**

Executive Director, Product Supply<sup>1,4</sup>

**Jag Ahluwalia**

Executive Director, Regulatory Affairs<sup>1,2,4</sup>

**Cecile Miles**

Executive Director, Generics Business Development<sup>1,4</sup>

**Vesna Vasiljević**

Executive Director, Legal Affairs<sup>1</sup>

**Johan Swarts**

Executive Director, Human Resources<sup>1</sup>

**Zdravka Knežević**

Executive Director, Development<sup>1,2,4</sup>

**John Kober**

Executive Director, Proprietary Business Development<sup>1,2</sup>

**Vesna Eraković**

Executive Director, Research<sup>1,3</sup>

### SUPERVISORY BOARD

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**Massimo Armanini**

President<sup>6</sup>

**Franjo Luković**

Vice President

**Ettore dell'Isola**

Member<sup>3</sup>

**Zdenko Adrović**

Member<sup>5</sup>

**Branko Jeren**

Member

**Michael Unsworth**

Member<sup>6</sup>

**Ronald M. Freeman**

Member<sup>5</sup>

**Ivan Vidaković**

Member<sup>6</sup>

**Slobodan Vukičević**

Member

1 - Executive Committee, 2 - New Product Committee, 3 - Discovery Committee, 4 - Portfolio Management Board, 5 - Audit Committee, 6 - Remuneration and Nomination Committee

For further information,  
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