

ANNUAL REPORT 2014

Zentiva a.s. Bratislava

ZENTIVA
A SANOFI COMPANY

**Appendix to the auditor's report
on the consistency of annual report with audited financial statements
in accordance with Act No. 540/2007 Z.z. § 23 par. 5**

To the Shareholders of Zentiva, a.s.:

- I. We have audited the financial statements of Zentiva, a.s. ("the Company") as at 31 December 2015 presented in the annual report in Appendix 1. We issued the following audit report dated 30 March 2015 on the financial statements:

"Independent Auditors' Report

To the Shareholders of Zentiva, a. s.:

We have audited the accompanying financial statements of Zentiva, a.s. ('the Company'), which comprise the statement of financial position as at 31 December 2014 and statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 of financial statements that give a true and fair view 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

30 March 2015
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
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Ing. Peter Matejička
UDVA Licence No. 909"

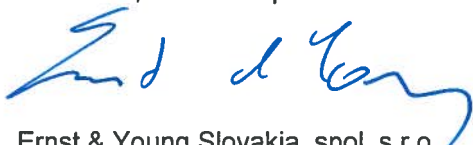
THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

- II. We have also audited the consistency of the annual report with the above-mentioned financial statements. The management of the Company is responsible for the accuracy of preparation of the annual report. Our responsibility is to express an opinion on the consistency of the annual report with the financial statements, based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the accounting information presented in the annual report and derived from the financial statements is consistent, in all material respects, with the financial statements. We have checked that the information presented in the annual report on pages 1 –17 is consistent with that contained in the audited financial statements as at 31 December 2014. We have not audited information that has not been derived from audited financial statements or Company accounting records. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit, the accounting information presented in the annual report is consistent, in all material respects, with the financial statements of the Company as at 31 December 2014 in and are in accordance with the Act on Accounting No 431/2002 Z.z., as amended by later legislation.

23 April 2015
Bratislava, Slovak Republic



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Ing. Peter Matejíčka
SKAU Licence No. 909

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Financial Statements and Auditor's Report for the Year Ended 31 December 2014	

About Zentiva

1

Business name: Zentiva, a.s.
Legal form: Joint-stock company
Registered office: Einsteinova 24
851 01 Bratislava
Registration no.: 31411771
Date of formation: 13 April 1992
Founder: National Property Fund of the SR, Bratislava, Drieňová 27

Organisational units abroad: none

Share capital: EUR 53,774,172.48
Shares issued:
Class: Ordinary shares with voting rights
Type: Bearer shares
Form: Book-entry only
Par value: EUR 33.19
Number of shares: 1,620,192 shares

Zentiva, a member of the Sanofi group, is an international leader which develops, produces and sells high-quality and reliable generic medicinal products at affordable prices, to improve and extend the lives of a growing number of patients in several countries.

In 2009, Zentiva was taken over by the international pharmaceutical company Sanofi, which decided to make Zentiva its European generic trade mark. Thus, Zentiva entered new markets, primarily in Western Europe, and linked two Western European trade marks in Winthrop and Helvepharm.

In 2011, the Company's management decided that activities in the field of generics in Europe would continue to be concentrated under the Zentiva brand and international operations of the Sanofi group, creating, developing and launching the portfolio of future generic products, would continue to be managed from Zentiva

Prague. Today, Zentiva markets its products to almost a billion people in 50 countries in Europe, Africa and the Middle East. It employs more than 6,000 people, of which 2,000 work in manufacturing, mostly in the Czech plant in Dolní Měcholupy. The importance of the Prague headquarters is increasing and it acts as headquarters of the management and central governing body of international affairs in the field of generics.

Today, Zentiva offers more than 450 products in 800 medicinal forms, ranking it among the largest generic portfolios in Europe. Products cover all the primary therapeutic areas, such as cardiovascular diseases, women's health products, respiratory conditions, inflammatory processes, diseases of the central nervous system, gastrointestinal and urinary diseases and analgesics. This product portfolio includes prescription and over-the-counter drugs, primarily used in the primary care sector.

Key Figures

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Financial Data (in '000 EUR, unless indicated otherwise)	2014	2013
Sales	139,719	168,807
Gross profit	84,319	108,418
Earnings before interest and taxes	50,148	71,600
Earnings before taxes	50,193	71,308
Adjustments to assets due to sale	-	-
Income tax	(14,198)	(19,050)
Net profit	35,995	52,258
Basic earnings per ordinary share (EUR)	22.22	32.25
Investments	-	3,410
Number of employees as at 31 December (persons)	98	103
Indicators		
EBIT margin (earnings before interest and taxes) (%)	35.89	42.42
Net profit margin (%)	25.76	30.96

The financial data is cumulated for both continuing and discontinuing operations. The full IFRS Financial Statements, with a breakdown of financial data obtained from both the continuing and discontinuing operations, are included in an annex.

Information on Shareholders

3

Shareholders' structure – as at 31 December 2014

	Number of shareholders	Share in registered capital		Share in voting rights	
		Number of shares	%	%	%
CORPORATE BODIES	16	1,604,255	99.02		99.02
Of which :					
Slovak corporate bodies	9	959	0.06		0.06
Foreign corporate bodies	7	1,603,296	98.96		98.96
INDIVIDUAL INVESTORS	5,837	15,937	0.98		0.98
Of which :					
Slovak investors	5,624	15,423	0.95		0.95
Foreign investors	213	514	0.03		0.03
TOTAL BEARER SHARES	5,853	1,620,192	100.00		100.00
Of which :					
Foreign corporate bodies and individual investors	220	1,603,629	98.98		98.98
TOTAL SHARES	6,082	1,620,192	100.00		100.00
<hr/>					
Principal shareholders as at 31 December 2014		Number of shares			
		pcs	%		
ZENTIVA N.V., Amsterdam, the Netherlands		1,602,203	98.99		
Others		17,989	1.01		
TOTAL		1,620,192	100.00		

Bodies of the Joint-stock Company

4

Board of Directors of the Joint-stock Company

Amer Khoury- Chairman of the Board of Directors

Ing. Pavel Novák – Vice-chairman of the Board of Directors

Blake Dark – Member of the Board of Directors

Supervisory Board

Mgr. Helena Kopková – Chairwoman of the Supervisory Board

Hermes Joffrey Martet – Member of the Supervisory Board

MUDr. Mojmír Krutý – Member of the Supervisory Board

Foreword by the Board of Directors

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In 2014, Zentiva fostered its strategy, focused on an increased availability of high-quality medicinal products, at affordable prices to more patients in all its territories. Despite the austerity measures applied by the Slovak government, the Sanofi group (comprised of Sanofi, Zentiva, Genzyme and Sanofi Pasteur) managed to maintain its leading position in the Slovak market. By number of delivered packages, the market share of the group represents around 23%, i.e., practically each fourth package dispensed to patients in Slovakia is made by Zentiva.

Currently, Zentiva has 391 products placed in the Slovak market, out of which 36% have the lowest co-payment of the patient and 130 of our products (nearly 33%) have the lowest price EU-wide. Our Company has continued to market new high-quality medicinal products at affordable prices for Slovak patients which promote enhanced healthcare standards. In 2014, Zentiva supplied nearly 28 million packages of medicinal products to Slovak patients and launched 8 new products in the Slovak market. In 2015, we plan to launch another 9 products.

Zentiva directs its investments back into Slovak healthcare. These fund the accredited training of physicians, pharmacists, medical and pharmaceutical interns and other health care professionals, patients and the public. We are also involved in primary and secondary preventative actions and projects in the area of Corporate Social Responsibility, through which we support hospitals, schools and socially disadvantaged groups.

Our aim will continue to be the provision of the widest possible patient access to modern, affordable medicinal products designed for the treatment of a broad range of chronic diseases. Our range includes prescription as well as over-the-counter medicinal products.

Zentiva in Slovakia will continue to focus on this important role and remain a partner of choice for physicians, offering them products with real value for their patients. Being a part of the Sanofi group enables us to provide a yet broader range of medicinal products, contribute to enhanced health care standards and support physicians, patients and clients.

Financial Report

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On 25 March 2013, Zentiva a.s. sold its industrial division in Hlohovec to Saneca Pharmaceuticals, a.s., which continues manufacturing and its production is distributed by Zentiva a.s. to Slovak and foreign markets through Sanofi companies.

About 16.9% of the Company's portfolio is sold in Slovakia. The remainder of production is exported through companies of the Sanofi Group, mostly to the Czech Republic, Poland, Russia, Romania, Ukraine and Bulgaria.

6.1. Income Statement

Pursuant to Section 17(a) of Act No. 431/2002 Coll., as amended, the Company has been obliged since 2008 to prepare its individual Financial Statements in accordance with the International Financial Reporting Standards, as adopted by the EU, and, therefore, the Statements and the Notes were prepared in accordance with those standards.

Sales

The Company's total sales decreased in 2014 by 17.23%, compared with 2013. Products were sold to external customers primarily through SWIND France and the domestic market was served through Sanofi aventis Slovakia.

Top products of the Company in 2014 by sales:

	Therapeutic Category	Active Substance	Sales in 2014 in € '000	Sales in 2013 in € '000
Torvacard	Hypolipidemic agents	Atorvastatinum calcium	21 503	24 909
Lozap Zentiva	Hypotensive agents	Losartan potassium	13 260	13 363
Helicid	Antacids	Omeprazol	10 347	11 347
Pinosol	Otorhinolaryngol	Herbal	7 415	10 329
Coronal	Beta-blockers	Bisoprololi fumaras	6 131	5 721
Anopyrin	Anticoagulants	Acidum acetylsalicum	5 769	7 107
Vitamin E	Vitamins	Tocoferoli alfa acetas	5 074	5 923
Fokusin	Sympatholytics	Tamsulosini hydrochl.	4 266	4 912
Agapurin	Vasodilators	Pentoxifylline	3 606	5 378
Losartan	Hypotensive agents	Losartan potassium	2 047	2 891

Gross profit

Production costs / consumed purchases in 2014 reached EUR 55,400 thousand, a decrease of 8.26% on 2013 (EUR 60,389 thousand not considering the impairment provisions for assets held for sale).

In 2014, the Company posted a gross profit of EUR 84,319 thousand, a decrease of 22.23% compared with 2013 (2013: EUR 108,418 thousand).

Other operating costs

General and administrative costs decreased by 46.44% compared to last year, mainly due to decrease in corporate costs invoiced by the Zentiva Group Prague related to the sold production activity in Hlohovec.

Earnings before interest and taxes

The Company's earnings before interest and taxes decreased by EUR 21,452 thousand to EUR 50,148 thousand compared with EUR 71,600 thousand in 2013.

Financial costs

The Company achieved the profit from financial activities of EUR 45 thousand (2013: EUR -169 thousand).

In 2014, the Company posted net interest revenues of EUR 97 thousand (2013: EUR 70 thousand).

Earnings before taxes

The Company's earnings before taxes of EUR 50,193 thousand were lower by 29.61% in 2014 compared with 2013 (2013: EUR 71,308 thousand) and 40.35% lower compared with 2012 (2012: EUR 84,073 thousand).

Income tax

In 2014, tax costs of the Company totalled EUR 14,198 thousand (2013: EUR 19,050 thousand), taking into account the special business levy. The effective tax rates in 2014 and 2013 were 22.16% and 23.28% respectively.

Net profit

Compared with 2013, the Company's net profit in 2014 decreased by 31.12% to EUR 35,995 thousand (2013: EUR 52,258 thousand).

Net profit margin in 2014 decreased to 25.76% (2013: 30.96%).

6.2. Profit Distribution Proposal

The Board of Directors proposed the following profit distribution for 2014:

Net profit posted in 2014 amounted to EUR 35,995 thousand, of which EUR 35,644,244 is proposed to be paid as dividends, i.e., EUR 22 per share.

6.3. Balance Sheet

Investments in tangible and intangible assets

In 2014, the Company did not purchased significant investments to Property, Plant and Equipment and to Intangible assets.

Trade and other receivables

Trade receivables and other receivables decreased by EUR 4.1 million from EUR 158,375 thousand in 2013 to EUR 154,263 thousand due to decrease in tax overpayment in FY 2013. Net receivables within the consolidated entity (from cash pooling and cash management) as at 31 December 2014 amount to EUR 84,802 thousand, of which 84,797 thousand represents the line of credit and EUR 5 thousand represent guarantees (2013: EUR 75,823 thousand (of which EUR 75,816 represents the line of credit and EUR 7 52,917,757 thousand).

The Group recognizes receivables and payables within cash management structures of Sanofi-Aventis as other short-term receivables or payables.

(Net) interest revenues within cash management structures in 2014 were EUR 97 thousand (2013: EUR 70 thousand).

In 2014, the Company duly paid up all its payables to government authorities and banks.

Long-term provisions

Revenue commitment provision

In 2012, the Company created a provision of EUR 6,966 thousand, representing the obligation of Zentiva a.s. to cover potential financial losses from production not taken over. This represents the difference between the minimum orders defined in sales contracts and the expected sales (of the Sanofi Group), according to the business plan for the next three years from the moment the conditions precedent are met. In 2013, the Company revalued the provision to EUR 6,944 thousand. In 2014, the Company used provision of EUR 4,252 thousand. The residual balance as of 31 December 2014 is EUR 2,692 thousand.

Short-term payables

The increase in short-term payables in 2014 compared with 2013 is related to the increase in liabilities from trade payables of EUR 6,389 thousand and increase in tax liabilities of EUR 7,186 thousand.

6.4. Cash Flow Summary

Net cash flows from operations

In 2014, the Company generated net cash flow of EUR 61,331 thousand (2013: EUR 71,741 thousand) from its primary business operations, mainly from the Company's profit.

Net cash flows from investments

Net cash flows from investments amounted to EUR -15 thousand in 2014 (2013: EUR 10,174 thousand). The most significant item in 2013 was proceeds from sale of manufacturing plant in Hlohovec in total of EUR 10,194 thousand.

Net cash flows from financing activities

Net cash flow from financing activities totalled EUR -61,316 thousand in 2014 (2013: EUR -82,249 thousand). Disbursement of dividends of EUR 52,251 thousand (2013: EUR 69,669 thousand) was the major item under this caption.

Lawsuits

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Lawsuits filed by the Company:

In 2014, the Company did not file any applications for issuing orders to pay, or rulings which could have a significant effect on the financial standing of the Company.

Lawsuits filed against the Company:

Re. Sika vs. Zentiva, a.s. Hlohovec for payment of EUR 96,257 (i.e. SKK 2,899,825) and related interest and fees on the grounds of incorrect wage categorization.

Ing. Šnupárek and Ing. Ratkovská, CSc. vs. Zentiva, a.s. Hlohovec for payment of EUR 130 thousand on the grounds of fees claimed by the co-inventors of a product.

Based on legal opinions that it has obtained, the Company's management is convinced that the Company will not incur any significant losses in relation to these pending lawsuits.

Environment, Safety and Health Protection



Zentiva a.s. has considered the areas of health and safety of its employees as well as environmental protection to be matters of prime importance. The Company created a HSE management system (H - health, S - safety, E - environment, which covers HSE policies, standards, regulations and guidelines. All of the activities of the Company and its individual employees have to be aligned with these requirements and comply with the effective local regulations.

Based on the established priorities for the period 2014-2020, an analysis of potential risks at work for employees working directly in the office as well as the employees working in the "field" an analysis of individual work accidents was prepared a list of activities for year 2014 based on audit results realized in 2013.

Realization of activities contributed to improving work conditions for stress relief, improving the health of staff and also higher productivity at work.

During 2014, activities were focused on the following areas:

- Increase of safety awareness
- Driving car safely
- Ecological approach car driving
- Improving safety of technical equipment
- Hygiene at work
- Energy savings
- Review of working conditions
- Providing first aid
- Ergonomics in the workplace

These activities took place throughout the whole year 2014, many of those activities listed will carry on in 2015.

In cooperation with Sante assessment and review conditions in the workplace took place. Initial evaluation of workplace by professional health service was performed in June, resulting in a comprehensive report that

evaluates the following areas:

1. The classification and categorization of work activities
2. The health assessment based on the results of LPP
3. Examination of accidents at work and the consequences for work-related activity
4. Proposed measures to improve working conditions
5. The communication is stored in the HR department. Further re-evaluation of workplace by professional health service is scheduled for June 2015th

Employees

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Human Resources

As at 31 December 2014, Zentiva, a.s. had 98 employees. Compared to last year, this is a slight decrease resulting from the actions which ensure the efficiency.

In 2014 Zentiva a.s. focused on highlighting the value aspects of corporate culture, diversity, and also staff development. As part of the corporate culture, attention was placed primarily on professional ethics and performance management at work. The area has brought new range of target-orientated approach to address the benefits that the company provided in cash or in kind. The emphasis was placed on diversity and focus on specific groups of employees, as defined by the new methodology in line with the principles of diversity. The most important employee benefits include life insurance, supplementary pension insurance contribution; flex allowance from the Social Fund and a range of different types of premium holidays.

Also in 2014, the company increased emphasis on development programs encouraging greater work efficiency and employee satisfaction. In development programs, the company continues to focus optimal work-life balance.

the 1990s, the number of people with diabetes has increased in all industrialized countries, and this increase is continuing to rise.

Diabetes is a chronic disease, and the consequences of diabetes are often severe. The most common complications of diabetes are cardiovascular disease, kidney disease, eye disease, and nerve damage. These complications can lead to disability and even death. Therefore, it is important to have good control of blood sugar levels to prevent or delay these complications.

There are two main types of diabetes: type 1 and type 2. Type 1 diabetes is an autoimmune disease in which the body's immune system attacks and destroys the insulin-producing cells in the pancreas. Type 2 diabetes is a metabolic disease in which the body's cells become resistant to the action of insulin, and the pancreas cannot produce enough insulin to overcome this resistance.

Diabetes is a complex disease, and its management requires a multidisciplinary approach. This approach involves the collaboration of the patient, the primary care physician, the endocrinologist, the dietitian, the diabetes educator, and the pharmacist. Each of these professionals plays a role in helping the patient to achieve good control of blood sugar levels and to prevent or delay complications.

The goal of diabetes management is to keep blood sugar levels as close to normal as possible. This can be achieved by following a healthy diet, getting regular exercise, and taking medication as prescribed. It is also important to monitor blood sugar levels regularly and to see the doctor if there are any changes in blood sugar levels or if there are any symptoms of complications.

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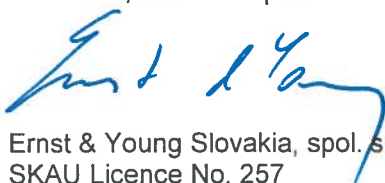
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

30 March 2015
Bratislava, Slovak Republic



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Zentiva, a. s.

**Financial Statements
for the Year Ended 31 December 2014**

Prepared in Accordance with International Financial Reporting Standards

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Zentiva, a.s.
Financial Statements for the Year Ended 31 December 2014

Income Statement

<i>(in thousands of EUR)</i>	Note	2014	2013
Continuing operations			
Sales	4	139,719	166,351
Production costs / consumed purchases		-55,400	-58,595
Gross profit		84,319	107,756
Marketing expenses	4	-28,953	-27,311
Administrative expenses	4	-4,897	-9,004
Research and development expenses		-321	-332
Impairment loss recognised on the remeasurement to fair value less costs to sell		-	552
Profit before tax and financial expenses		50,148	71,661
Interest income		97	70
Finance income / loss, net		-52	-362
Loss/Profit from financial activities		45	-292
Profit before tax from continuing operations		50,193	71,369
Income tax	5	-14,198	-19,050
Profit for the year from continuing operations		35,995	52,319
Discontinued operations			
Profit/Loss after tax for the year from discontinued operations	10	-	-61
Profit for the year		39,995	52,258

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements.

Statement of Comprehensive Income

<i>(in thousands of EUR)</i>	2014	2013
Net profit for the year	35,995	52,258
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Re-measurement gains (losses) on defined benefit plans	-13	170
Income tax effect	3	-39
Change in tax rate	-	2
Other comprehensive income for the year, net of tax	-10	133
Total comprehensive income for the period	35,985	52,391

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements

Balance Sheet

<i>(in thousands of EUR)</i>	Note	31 December 2014	31 December 2013
Assets			
Non-current assets:			
Property, plant and equipment	6	74	109
Intangible assets	7	2,060	2,986
Financial assets	9	86	92
Deferred tax asset	8	777	1,828
Total non-current assets		2,997	5,015
Current assets			
Inventory		-	-
Trade receivables	11	12,358	12,044
Receivables from cash pooling and cash management and other receivables	12	141,905	130,551
Income tax		-	15,780
Cash and cash equivalents	13	-	-
Total current assets		154,263	158,375
Total assets		157,260	163,390
Liabilities and shareholders' equity			
Equity:			
Share capital	14	53,774	53,774
Share premium	14	25,738	25,738
Retained earnings and other funds	15	50,510	66,703
Total shareholders' equity		130,022	146,215
Non-current liabilities			
Long-term provisions	17	2,899	7,092
Total non-current liabilities		2,899	7,092
Current liabilities			
Trade and other liabilities	16	16,483	8,861
Short-term provisions	17	670	1,222
Income tax payable	5	7,186	-
Total current liabilities		24,339	10,083
Total liabilities and shareholders' equity		157,260	163,390

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements.

Statement of Cash Flows

<i>(in thousands of EUR)</i>	Note	2014	2013
Cash flows from operating activities	18	51,512	93,038
Income tax paid		9,819	-21,297
Net cash flows from operating activities		61,331	71,741
Cash flows used in investing activities			
Purchase of property, plant and equipment		-15	-20
Proceeds from disposal of property, plant and equipment		-	-
Proceeds from the sale of manufacturing facility in Hlohovec		-	10,194
Net cash flows used in investing activities		-15	10,174
Cash flows used in financing activities			
Dividends paid		-52,251	-69,669
Cash inflow/outflow from loans provided to related party (cash-pooling/cash management)		-9,065	-12,580
Other		-	-
Net cash flows used in financing activities		- 61,316	-82,249
Net increase/decrease in cash and cash equivalents		-	-334
Cash and cash equivalents at beginning of period	13	-	334
Cash and cash equivalents at end of period	13	-	-

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements

Zentiva, a.s.**Financial Statements for the Year Ended 31 December 2014****Statement of Changes in Shareholders' Equity**

<i>(in thousands of EUR)</i>	Share capital	Share premium	Retained earnings and other funds	Total
Balance as at 31 December 2012	53,774	25,738	83,918	163,430
Net profit for 2013			52,258	52,258
Other comprehensive income	-	-	133	133
Total comprehensive income	-	-	52,391	52,391
Dividends			-69,669	- 69,669
Options and Share Plans			63	63
Balance as at 31 December 2013	53,774	25,378	66,703	163,430
Net profit for 2014			35,995	35,995
Other comprehensive income	-	-	-10	-10
Total comprehensive income	-	-	35,985	35,985
Dividends			-52,251	-52,251
Options and Share Plans			73	73
Balance as at 31 December 2014	53,774	25,738	50,510	130,022

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements.

1. Corporate Information

Zentiva, a.s. (“Zentiva” or “the Company”), formerly Slovakofarma, a.s., was incorporated as a joint-stock company under the laws of the Slovak Republic on 13 April 1992. The Company majority shareholder is ZENTIVA N.V., with its registered office at Fred.Roeskestraat 1231, HG EE Amsterdam, the Netherlands, whose majority shareholder is Sanofi. The Company is included in the consolidated financial statements prepared for all Group members by Sanofi, with its registered office at 54 Rue la Boétie, 75008 Paris, France.

Company shareholders

Shareholders of the Company as at 31 December 2014:

	No. of shares	In thousands of EUR	In %
ZENTIVA N.V., Amsterdam	1,602,203	53,177	98.99
Other	17,989	597	1.01
TOTAL	1,620,192	53,774	100.00

The Company is a private joint-stock company. The Company is not a partner with unlimited liability in any entity.

The Zentiva group (“the Group”) is primarily engaged in the production and wholesaling of pharmaceuticals and chemical products in the Slovak and Czech Republic and other foreign markets.

Company’s registered office:

Zentiva, a.s.
Einsteinova 24
851 01 Bratislava
Slovak Republic

Business registration No.: 31 411 771
Tax registration No.: SK 2020394970
Legal form: joint-stock company
Date of incorporation: 1 May 1992

During the year 2014 the Company has 115 employees on average (2012: 293 employees), the number of employees as at 31 December 2014 there was 98 employees (as at 31 December 2013: 103), 12 of which were management (31 December 2013: 12 managers).

Date of authorization of the previous financial statements

The financial statements of the Company for the prior period as at 31 December 2013 were approved by the General Meeting of shareholders on 16 June 2014.

Board of Directors of the Company

Amer Khoury - Chairman of the Board of Directors since 28 July 2012
Blake Dark - Member of the Board of Directors since 28 July 2012
Ing. Pavel Novák - Member of the Board of Directors since 17 May 2012

Supervisory Board

Mgr. Helena Kopková – Chairwoman of the Supervisory Board since 29 June 2011
Hermes Joffrey Martet – Member of the Supervisory Board since 29 June 2011
MUDr. Mojmír Krutný – Member of the Supervisory Board since 23 July 2013

Statutory auditor

ERNST & YOUNG Slovakia, spol. s r.o., with its registered office at Hodžovo námestie 1 A, 811 06 Bratislava, SKAU license No. 257, acting as the Company’s statutory auditor. The statutory auditor’s fee for 2014 was EUR 28 thousand (2013: EUR 48 thousand).

2. Summary of Significant Accounting Policies

a) Basis of preparation and accounting

These separate financial statements have been prepared as ordinary separate financial statements according to Section 17 (6) of the Slovak Accounting Act No. 431/2002 Coll. as later amended.

Pursuant to the Act on Accounting, from 1 January 2008 the Company prepares financial statements in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”). At this particular time, due to the endorsement process of the EU, and the activities of the Group, there is no difference in the policies applied by the Company between IFRS and IFRS as adopted by the EU.

The accompanying financial statements were prepared in accordance with IFRS and all applicable IFRSs adopted by the EU. IFRS comprise standards and interpretations approved by the International Accounting Standards Board (“IASB”) and by the International Financial Reporting Interpretations Committee (“IFRIC”).

Financial statements were prepared on a going-concern basis and on a historical cost basis and cover the 12 months from 1 January 2014 to 31 December 2014.

The amounts in the financial statements are presented in thousands of euro (“in thousands of EUR”).

b) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities reported at the end of the period and the reported amounts of revenues and expenses for that period. Although accounting judgments, estimates and assumptions were used to the best knowledge of the Company's management in respect of current events and circumstances, actual results may differ from these estimates.

In the process of applying the adopted accounting policies, management has made certain judgments, estimates and assumptions which have a significant effect on the amounts recognized in the financial statements (apart from those involving estimates, which are dealt with below).

Deferred tax

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. For more details, refer to Note 8.

Calculation of deferred tax asset of the Group is based on the assumption that taxable profit will be available against which the deferred tax would be utilized. This assumption can be shown as inadequate in case of decline in taxable profits.

Provision for liabilities arising from the contracts

Following the contracts on future co-operation, including purchase of pharmaceuticals and active substance to be produced by Saneca Pharmaceuticals, a.s., the Company has obligation to compensate any loss resulting from purchased quantities being lower than agreed in the contract. As a result, the Company has recognized a provision of EUR 2,693 thousand as at 31 December 2014 (EUR 6,944 thousand as at 31 December 2013), which represent the estimation of difference between the minimum value of purchase orders defined in the contract with the purchaser; in comparison with the sales forecast of the Group (Sanofi Group) for the period of three years following the sale of part of the business.

Employee benefits

In compliance with the Company's regulations, company provides one-off bonus after reaching working milestone of 10,15,20,25 and more years (in 5 year intervals). Bonus is differentiated and edges between EUR 400 to EUR 800. Payment is paid quarterly (4 instalments).

In case of early retirement or disability pension, the Company acts in accordance with the Labour Code, ie at first the retirement or disability pension, the employer is required to pay an amount equal to one month's average salary. The Company does not plan to reassess this process.

The related liability is recognized using the incremental actuarial method, with adjustments for actuarial gains and losses and past service cost. The liability is calculated annually by independent actuaries. The present value of the liability is determined by the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating to the terms of the related liability. For details, see Note 17.

c) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted the following new and amended IFRS and IFRIC interpretations:

- IFRS 10 Consolidated Financial Statements - Amendment for investment entities
- IFRS 12 Disclosure of Interests in Other Entities - Amendment for investment entities
- IAS 27 Separate Financial Statements - Amendment for investment entities
- IAS 32 Financial Instruments: Presentation - Amendment to application guidance on the offsetting of financial assets and financial liabilities
- IAS 36 Impairment of Assets - Amendment arising from recoverable amount disclosures for non-financial assets
- IAS 39 Financial Instruments: Recognition and Measurement - Amendment for novations of derivatives
- IFRIC 21 Levies

Application of the interpretation will not have material impact on the financial statements of the Company.

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

IFRIC 21 Levies

The interpretation covers the accounting for outflows imposed on entities by governments in accordance with laws and regulations. IFRIC 21 provides the following guidance on recognition of a liability to pay levies:

- The liability is recognized progressively if the obligating event occurs over a period of time.
- If an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

The other standards will not have a material impact on the financial statements of the Company.

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- IFRS 7 Financial Instruments: Disclosures - Amendment requiring disclosures about initial application of IFRS 9 (effective from application of IFRS 9, this amendment has not been approved by EU yet)
- IFRS 7 Financial Instruments: Disclosures - Amendment requiring additional hedge accounting disclosures related to application of IFRS 9 (effective from application of IFRS 9, this amendment has not been approved by EU yet)
- IFRS 9 Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after 1 January 2018, this standard has not been approved by EU yet) IFRS 10 Consolidated Financial Statements - Amendment regarding the sale or contribution of assets between an investor and its associate or joint venture (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)

- IFRS 10 Consolidated Financial Statements - Amendment regarding the application of the consolidation exception (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- IFRS 11 Joint Arrangements - Amendment regarding the accounting for acquisitions of an interest in a joint operation (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- IFRS 12 Disclosure of Interests in Other Entities - Amendment regarding the sale or contribution of assets between an investor and its associate or joint venture (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- IFRS 14 Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016, this standard has not been approved by EU yet)
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017, this standard has not been approved by EU yet)
- IAS 1 Presentation of Financial Statements - Amendment resulting from the disclosure initiative (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- IAS 16 Property, Plant and Equipment - Amendment regarding the clarification of acceptable method of depreciation and amortization (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- IAS 16 Property, Plant and Equipment - Amendment bringing bearer plants into the scope of IAS 16 (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- IAS 19 Employee Benefits - Amendment to clarify the way how contributions from employees or third parties that are linked to service should be attributed to periods of service (effective for annual periods beginning on or after 1 July 2014)
- IAS 27 Separate Financial Statements - Amendment reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- IAS 28 Investments in Associates and Joint Ventures - Amendment regarding the sale or contribution of assets between an investor and its associate or joint venture (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- IAS 28 Investments in Associates and Joint Ventures - Amendment regarding the application of the consolidation exception (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- IAS 38 Intangible Assets – Amendment regarding the clarification of acceptable method of depreciation and amortization (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- IAS 39 Financial Instruments: Recognition and Measurement - Amendment defines exceptions to application of IFRS 9 for hedge accounting (effective from application of IFRS 9, this amendment has not been approved by EU yet)
- IAS 41 Agriculture - Amendment bringing bearer plants into the scope of IAS 16 (effective for annual periods beginning on or after 1 January 2016, this amendment has not been approved by EU yet)
- Annual improvements to IFRSs (issued in December 2013)
- Annual improvements to IFRSs (issued in September 2014)

Application of the interpretation will not have material impact on the financial statements of the Company.

d) Functional and presentation currency

On the basis of the economic substance of the underlying events and circumstances, the euro was determined as the functional currency and the currency of the Company's presentation.

e) Foreign currency translation – transactions and balances

Transactions in foreign currencies are recorded at the exchange rate pertaining at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange as at the reporting date. All differences are taken to the income statement.

f) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

In the statement of comprehensive income, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

g) Property, plant and equipment

Property, plant and equipment are stated at cost or production cost less accumulated depreciation and any impairment in value (other than required by IFRS 5 explained in note 2a Basis of preparation of financial statements). Production costs for self-constructed assets include cost of materials, direct labour and an appropriate proportion of production overheads.

Replacements and improvements which prolong the useful life or significantly improve the condition of the asset are capitalized. Maintenance and repairs are recognized as an expense in the period in which they are incurred.

Freehold land is not depreciated.

The Company assesses the remaining useful lives of items of property, plant and equipment and the depreciation methods applied on at least an annual basis, to ensure that the depreciation method and period are consistent with the expected inflows of economic benefits. The estimated useful lives used for property, plant and equipment are as follows:

Assets	Number of years
Buildings and structures	15 – 45
Machinery and equipment	4 – 20
Vehicles	8 – 20
Small tangible assets	2 – 20

The cost of properties retired or otherwise disposed of, together with the accumulated depreciation provided thereon, is eliminated from the accounts. The net gain or loss is recognized as other operating income or expense.

Items of property, plant and equipment with useful lives of more than one year and with a cost not exceeding EUR 1,700 are classified as small tangible assets and depreciated for 2 to 20 years from the date they were put in use.

Development expenditure incurred on an individual project is capitalized when its future recoverability can reasonably be regarded as assured. In the event that this is not the case, development expenditure is expensed as incurred. Any expenditure capitalized is amortized over the period of expected future sales from the related project.

h) Leases

Finance leases, which substantially transfer to the entity all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over whichever is the shorter of the estimated useful life of the asset or the lease term (if the entity is not entitled to purchase the leased item after the lease expires).

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

i) Inventories

Inventories are valued at whichever is the lower of cost and net realizable value, as follows:

Raw materials:	Standard cost; differences between standard cost and actual acquisition cost are recognized through standard cost variances.
Work-in-progress:	Cost of direct materials and labour and an allocation of production overheads based on normal operating capacity, but excluding borrowing costs.
Finished products:	Cost of direct materials and labour and an allocation of manufacturing overheads based on normal operating capacity, but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) Impairment of non-financial assets

The carrying amounts of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may exceed the estimated recoverable amount. If there is an indication that an asset may be impaired and if the carrying amount of an asset exceeds its estimated recoverable amount, assets or cash-generating units are written down to their recoverable value. The recoverable amount is whichever is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. The recoverable value of an asset that does not generate cash inflows that are largely independent of those from other assets is determined for the whole cash-generating unit to which the asset pertains. Any impairment losses are recognized in the income statement.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

k) Financial instruments

Financial assets and financial liabilities presented on the balance sheet include cash and cash equivalents, financial assets available for trading, trade and other receivables and payables, and loans and borrowings. The accounting policies applied in the presentation and measurement of these items are described below.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual agreement. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

Derecognition of a financial asset takes place when the Company no longer controls the contractual rights that comprise the financial asset, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed over to an independent third party.

l) Accounting for financial derivative instruments

From 28 February 2011, the Company has been involved in the Sanofi cash-management structures, part of which is also a system of protection against foreign currency risk, realized by Sanofi-Aventis SA France. The protection against foreign currency risk also includes transactions with currency derivatives which fail to meet the criteria to be considered as hedging derivative instruments.

Derivative financial instruments are initially recognized at fair value on the date that a derivative contract is entered into and are subsequently re-measured to their fair value. Derivatives are held as assets when their fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in profit/loss for the accounting period as financial income or financial expenses.

m) Financial assets available for sale

Financial assets available for sale are those non-derivative financial assets that are designated as available-for-sale or are classified as neither held-to-maturity investments, loans and receivables, nor financial assets at fair value through profit or loss. After initial measurement, available-for-sale financial assets are measured at fair value, with unrealized gains or losses being recognized in equity in the fair valuation reserve. When the investment is derecognized, the cumulative gain or loss previously recorded in equity is recognized in the income statement.

Financial assets available for sale are classified as long-term if the Company does not expect to sell them within twelve months of the reporting date or if there is no need to sell them to obtain operating capital.

n) Accounts receivable

Trade receivables, which generally have 30-150 day terms, are recognized and carried at an original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

o) Cash and cash equivalents

Cash and cash equivalents comprise cash in bank, cash in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Zentiva a.s. Hlohovec concluded a contract for cash management with Sanofi-Aventis SA France on 28 February 2011.

Receivables and liabilities within Sanofi cash-management structures are presented within other short-term receivables and current liabilities. For the purposes of cash flow statement, the change in these receivables and liabilities are presented within cash flow from financial activities.

p) Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

q) Trade payables

Trade payables are initially measured at fair value and subsequently at amortized cost using the effective interest rate method.

Dividends due are recognized when the shareholders' right to receive payment is established.

r) Provisions

Provisions are recognized when the Company bears a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

s) Revenues

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Sales are recognized net of VAT, excise tax and discounts when delivery of goods or rendering of the service has taken place and transfer of risks and rewards has been completed.

Interest is recognized on a time-proportionate basis that reflects the effective yield on the related asset.

Revenues from sale of licenses are recognized when they are reasonably secured and cash has been received.

t) Income tax

Deferred income tax is provided, using the liability method and balance sheet approach, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities and assets are recognized for all taxable and deductible temporary differences except for initial recognition of an asset or a liability in a transaction which is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

u) Employee benefits

The Company uses an unfunded defined benefit plan. Actuarial techniques are used to measure the obligation and those obligations are measured on a discounted basis. Gains or losses are recognized over the expected average remaining working lives of the employees participating in the plans. Actuarial gains or losses are recognized immediately if not significant. The past service cost is recognized as an expense on a straight line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, past service cost is recognized immediately.

The Company applies the policy to recognize all actuarial gains and losses in the period in which they occur outside of profit or loss in other comprehensive income, i.e. through equity.

v) Share based payments

Some of the company's employees are involved in the Sanofi equity and option plan scheme granted by the Sanofi parent company.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

w) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed if the possibility of an outflow of resources embodying economic benefits is possible.

3. Financial Risk Management

Fair value of financial instruments

Financial instruments included on the balance sheet are comprised of investments, trade receivables, other current assets, cash and cash equivalents, short-term loans, trade payables, other liabilities and financial derivatives.

As at 31 December, financial assets available for sale are measured at fair value. An estimate of the fair value is made by reference to the current market value of another investment which is substantially the same. Where there are no quoted market prices in active markets for the entity's investments and it is impossible to make a reliable estimate of the fair value in a different way, the investments are recorded at historical cost less any impairment loss.

Financial risk management

The Company's business is exposed to various financial risks, including the impact of changes in foreign exchange rates and interest rates on loans. The Company's risk management programme focuses on unpredictable events on financial markets and aims to minimize potentially unfavourable effects on financial performance of the entity.

From June 2010 the risks are managed centrally at the Sanofi level.

Foreign currency risk

The functional currency of the Company is euro, which is the currency of the country that is decisive for the regulatory environment wherein the Company operates, and the currency that influences labour costs and the costs of goods sold to the most considerable extent.

A portion of sale and purchase prices is subject to exchange rate fluctuations. Through entry into the Sanofi cash-management structures in June 2010, the foreign currency risk is managed by Sanofi-Aventis SA France. The protection against foreign currency risk also includes transactions with currency derivatives which fail to meet the criteria to be considered as hedging derivative instruments. The Company provides for all trade receivables (including prepayments paid and estimated receivables) and payables (including provisions, estimated payables and prepayments received) in selected foreign currencies. The foreign currencies selected include those with a planned annual turnover equal or higher than EUR 1,000 thousand.

Interest rate risk

The Company's profit/loss and cash flows from operating activities are, to a significant extent, independent of changes in market interest rates. The received loans are interest-bearing with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the entity's profit before tax (through the impact on interest-bearing assets). The Company's equity should not be affected by the change in interest rates.

As at 31 December 2014

Base rate	Effect on profit before tax (in thousands of EUR)	
	Increase by 25 basis points	Increase by 25 basis points
EURIBOR	212	-212

As at 31 December 2013

Base rate	Effect on profit before tax (in thousands of EUR)	
	Increase by 25 basis points	Increase by 25 basis points
EURIBOR	149	-149

3. Financial risk management (continued)

Credit risk

The Company is not exposed to significant concentrations of credit risk. In line with the internal policies and procedures, the Company sells its products and services only to customers with an appropriate credit history. The Company performs monetary transactions only with highly creditworthy financial institutions as counterparties. The policy is to keep its dependence on any financial institution as low as possible. The maximum related credit exposure of the Company equals the carrying amount of receivables listed in Note 11.

In connection with the acquisition of the Zentiva group by Sanofi in 2009, the structure of customers of the accounting unit has changed. In 2014, 99 percent of total sales for goods and services were taken within the Sanofi group (1 percent to external customers). In 2013, 99 percent of total sales for goods and services was taken within the Sanofi group (1 percent to external customers).

Liquidity risk

The Treasury Department's objective is to maintain a balance between continuity of funding and flexibility through the use of a sufficient number of credit lines and participation in the Sanofi cash-management structures. Due to the dynamic nature of the business activities of the accounting unit (and its parent company), the Treasury Department seeks to ensure flexibility by participation in Sanofi Cash Management Structures. Since the beginning of 2012, it is fully oriented toward Sanofi Cash Management, in the face of the current existence of credit lines.

The table below summarizes the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments:

Year ended 31 December 2014 (in thousands of EUR)

	On demand / Within maturity	Less than 3 months	3 to 12 months	1 to 5 years	Total
Liabilities from derivatives, cash-pooling and cash management structure (Note 16)	19	-	-	-	19
Trade and Other liabilities (Note 16)	-	16,464	-	-	16,464

Year ended 31 December 2013 (in thousands of EUR)

	On demand / Within maturity	Less than 3 months	3 to 12 months	1 to 5 years	Total
Liabilities from derivatives, cash-pooling and cash management structure (Note 16)	105	-	-	-	105
Trade and Other liabilities (Note 16)	-	8,273	-	-	8,273

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximize shareholder value.

3. Financial risk management (continued)**Fair values**

Below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are included in the financial statements:

	Carrying amount (in thousands of EUR)		Fair value (in thousands of EUR)	
	2014	2013	2014	2013
Cash and cash equivalents	-	-	-	-
Trade receivables	12,358	12,044	12,358	12,044
Trade payables and other payables	16,483	8,811	16,483	8,811
Receivables from cash pooling, cash management and other receivables	141,905	146,331	141,905	146,331

For financial instruments with maturity date of less than one year, there is a presumption that the fair value approximates to their carrying amounts. The fair value of financial instruments with maturity date over one year is estimated by discounting future cash flows using the prevailing interest rates (as at 31 December 2014 the Company had no financial instruments with maturity date over one year except for liabilities from social fund).

Notes to Financial Statements

4. Revenues and Expenses

Revenues

<i>(in thousands of EUR)</i>	2014	2013
Revenues from sales of finished goods and merchandise	129,511	156,537
Marketing sales	10,208	9,814
Total	139,719	166,351

Marketing expenses

<i>(in thousands of EUR)</i>	2014	2013
Personnel expenses	4,099	4,024
Depreciation	942	781
Repairs and maintenance	19	19
Intercompany marketing expenses	15,787	13,325
Licence fees	2,684	3,250
Marketing (third party) and other services	5,422	5,912
Total	28,953	27,311

Administrative expenses

<i>(in thousands of EUR)</i>	2014	2013
Personnel expenses	359	326
Depreciation	32	42
Repairs and maintenance	4	3
Corporate expenses	4,264	7,137
Creation and release of provisions	-600	577
Other expenses	838	919
Total	4,897	9,004

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5. Income Taxes

Major components of income tax expense:

<i>(in thousands of EUR)</i>	2014	2013
Current income tax		
Statutory income tax	9,140	2,549
Adjustment of tax paid in previous years	54	3
Special levy of the entities operating in the regulated industries	3,950	3,059
Deferred income tax		
Origination and reversal of temporary differences	1,054	13,439
Total	14,198	19,050

In accordance with the valid legislation as at 31 December 2014 the Group applied the tax rate of 22% for income tax calculation.

Below is a reconciliation of theoretical income tax expense calculated using the statutory tax rate and profit before tax as reported in these financial statements to the actual income tax expense for the years ended as at 31 December:

<i>(in thousands of EUR)</i>	2014	2013
Profit before tax from continuing operations	50,193	71,369
Loss before tax from discontinuing operations	-	-61
Profit before tax	50,193	71,308
Statutory income tax rate 22%	11,042	16,401
Effect of change in statutory tax rate	-	81
Adjustment of tax paid in previous years	54	3
Special levy of the entities operating in the regulated industries	3,950	3,059
Permanent differences impact, net	-848	-494
Tax expense	14,198	19,050
Income tax expense reported in the income statement (continuing operations)	14,198	19,050
Income tax expense attributable to discontinued operations	-	-
Tax expense	14,198	19,050

6. Property, Plant and Equipment

(in thousands of EUR)

	Land and buildings	Machinery and equipment	Construction in progress	Total
Period ended 31 December 2013				
Opening net book value	14	126	-	140
Additions	-	-	20	20
Transfers	-	20	-20	-
Disposals	-	-8	-	-8
Depreciation charge	-2	-41	-	-43
Assets classified as held for sale	-	-	-	-
Closing net book value	12	97	-	109

Period ended 31 December 2014				
Opening net book value	12	97	-	109
Additions	-	-	15	15
Transfers	-	15	-15	-
Disposals	-11	-2	-	-13
Depreciation charge	-1	-36	-	-37
Assets classified as held for sale	-	-	-	-
Closing net book value	0	74	-	74

Period ended 31 December 2013				
Cost	27	316	-	343
Accumulated depreciation	-15	-219		-234
Net book value	12	97	-	109

Period ended 31 December 2014				
Cost	0	116	-	116
Accumulated depreciation and impairment	0	-42		-42
Net book value	0	74	-	74

The Company has no assets held under finance lease contracts.

7. Intangible Assets

<i>(in thousands of EUR)</i>	Licenses, software and intangibles in progress	Total
Period ended 31 December 2013		
Opening net book value	3,932	3,932
Additions	-	-
Disposals	-	-
Amortization charge	-946	-946
Assets classified as held for sale	-	-
Closing net book value	2,986	2,986
Period ended 31 December 2014		
Opening net book value	2,986	2,986
Additions	-	-
Disposals	-	-
Amortization charge	-926	-926
Assets classified as held for sale	-	-
Closing net book value	2,060	2,060
As at 31 December 2013		
Cost	5,048	5,048
Accumulated amortization	-2,062	-2,062
Net book value	2,986	2,986
As at 31 December 2014		
Cost	5,048	5,048
Accumulated amortization	-2,988	-2,988
Net book value	2,060	2,060

The original acquisition value of tangible and intangible assets, which are fully amortized, but still in use by the Company, is EUR 1,081 thousand.

8. Deferred Taxes

Deferred tax is calculated from all temporary differences based on liability method using tax rate of 22% due to change in statutory tax rate to 22% applicable from 1 January 2013.

Deferred tax assets and deferred tax liabilities are offset if the deferred taxes relate to the same taxation authority and a legally enforceable right exists to set off current tax assets against current income tax liabilities. Deferred tax assets and liabilities affecting profit/loss for the period arise from the following items:

<i>(in thousands of EUR)</i>	31 December 2013	Recognized in the income statement and other comprehensive income	31 December 2014
Deferred tax liabilities			
Difference between net book value of fixed assets for accounting and tax purposes	-6	6	-
Total	-6	6	-
Deferred tax assets			
Provision for contractual penalties	1,659	- 1,066	593
Other temporary differences	175	9	184
Total	1,834	- 1,057	777
Total net deferred tax asset	1,828	- 1,051	777

The deferred tax recognized through income statement represents EUR 1,054 thousand and the deferred tax income recognized through other comprehensive income represents EUR -3 thousand.

9. Financial investments

<i>(in thousands of EUR)</i>	31 December 2014	31 December 2013
Opening book value	92	92
Provision created for Foundation Zentiva	-6	-
Balance as at 31.12.2014	86	92

10. Discontinued operations

In 2011, the majority shareholder Zentiva NV (a member of the Sanofi Group) decided to initiate a project aimed at finding a new owner for the manufacturing facility in Hlohovec ("Manufacturing Facility") and, therefore, the manufacturing facility was classified as a disposal group held for sale.

On 20 November 2012, the Company entered into an Agreement on the terms of sale of part of business (production facility in Hlohovec) with Saneca Pharmaceuticals, a.s. (former Wood Pharma Holding a.s.). The value of sale and deal was fixed, based on bid management conducted by the professional services company Pharmaventures and was approved at the General Meeting of the Shareholders of the Company on 19 October 2012.

10. Discontinued operations (continued)

On 25 March 2013, the last conditions precedents of the above agreement were fulfilled and an agreement to sell the part of business was signed, whereby the transfer of the part of business came into effect. Saneca Pharmaceuticals, a.s. took over the production of pharmaceutical substances (API) and medicinal products including packaging and distribution under the Agreement. The terms of sale of a part of the business included the transfer of production facilities, employees and selected trademarks. Zentiva and Saneca Pharmaceuticals, a.s. also entered into agreements on future cooperation covering the purchase of medicinal products and active pharmaceutical substances produced by Saneca Pharmaceuticals, a.s. in Hlohovec over the next five years.

Sale of part of the business covers all assets and liabilities of the manufacturing facility in Hlohovec (its business activities represent mostly development, manufacturing, packaging and distribution of pharmaceuticals, active substances and opiates), trademarks Indulona and Parexyl and share on investment in Mestská ČOV Hlohovec.

Intellectual property assets (trademarks, patents, licences, know-how, research and development projects, Company name Zentiva etc. except for intellectual property to active pharmaceutical substances and trademarks Indulona and Parexyl) were not subject to sale. Also, registrations (e.g. registration for distribution of pharmaceuticals) were not transferred to the new owner.

The contract also includes an obligation to conclude a contract on transfer-back of cash-pool receivable and receivables from related parties.

Following the contract on future co-operation including purchase of pharmaceuticals and active substances to be produced by Saneca Pharmaceuticals, a.s. in the upcoming five years, the forecasted future income of the Company has changed. Continuing activity henceforward includes revenues from licence fees and marketing activities and proceeds from sales of pharmaceuticals, which were in FY 2011 presented within the discontinued operations. Discontinued operations comprise sales to third parties and research and development.

10. 1. Income statement – discontinued operations*(in thousands of EUR)*

	2014	2013
Sales	-	2,456
Production costs	-	-1,794
Gross profit	-	662
Marketing and distribution expenses	-	-150
General and administrative expenses	-	-139
Research and development	-	-434
Impairment loss recognised on the remeasurement to fair value less costs to se	-	-
Operating profit	-	-61
Financial income, net	-	-
Loss before tax from a discontinued operation	-	-61
Tax income:		
Related to current pre - tax profit	-	-
Related to measurement to fair value less cost to sell (deferred tax)	-	-
Loss for the year from a discontinued operation	-	-61
Attributable to Majority Shareholder:		
Loss for the year from a discontinued operation	-	-61
Profit for the year from continuing operations	-	52,319

10. 1. Income statement – discontinued operations (continued)

The results of the disposal of the production facility in Hlohovec are as follows:

<i>(in thousands of EUR)</i>	2013
Consideration received in cash	10,854
Cost of net assets disposed of	-10,898
Loss on disposal before income taxes	-44

10.2 Statement of Cash Flows

Cash Flows from discontinued operations

<i>(in thousands of EUR)</i>	2014	2013
Net cash flows from operating activities	-	- 61
Net cash flows from investment activities	-	-
Net cash flows from financial activities	-	-
Net cash flows from discontinued operations	-	-61

Cash flows on the disposal of the production facility in Hlohovec are as follows:

<i>(in thousands of EUR)</i>	2013
Consideration received in cash	10,854
Cash and cash equivalents disposed of	-660
Cash inflows from disposal	10,194

11. Trade Receivables

<i>(in thousands of EUR)</i>	31 December 2014	31 December 2013
Trade receivables	12,725	12,396
Allowances	-367	-352
Total	12,358	12,044
Allowance as at 1 January		
From trade	352	526
Additions	14	13
Use	-	-187
Reversal	-	-
Allowance as at 31 December	366	352

Trade receivables represent outstanding balances on invoices from both domestic and foreign customers. Receivables from domestic sales are denominated in local currencies, while receivables from abroad are denominated in foreign currencies. Major customer Sanofi Winthrop Industry FR accounts for 80.2% (EUR 9,906 thousand) of all trade receivables.

11. Trade receivables (continued)

The analysis of impaired trade receivables is as follows:

	Nominal value 2014 (in thousands of EUR)	Allowance 2014 (in thousands of EUR)	Carrying amount 2014 (in thousands of EUR)
Past due and not impaired			
less than 30 days	-	-	-
31 – 90 days	-	-	-
91 – 180 days	-	-	-
over 180 days	278	278	
Total impaired receivables	278	278	

	Nominal value 2013 (in thousands of EUR)	Allowance 2013 (in thousands of EUR)	Carrying amount 2013 (in thousands of EUR)
Past due and not impaired			
less than 30 days	75	-	75
31 – 90 days	-	-	-
91 – 180 days	-	-	-
over 180 days	352	352	-
Total impaired receivables	427	352	75

As at 31 December 2014 and 2013, the ageing analysis of trade and other receivables is as follows:

	Not yet due	< 90 days past due	91 – 180 days past due	181 – 360 days past due	>360 days past due	Allowance	Total
As at 31 December 2014	21	-	-	-	278	-278	21
As at 31 December 2013	11,669	75	-	-	352	-352	12,044

12. Receivables from Cash-Pooling, Cash management and Other Receivables

	31 December 2014	31 December 2013
<i>(in thousands of EUR)</i>		
Receivables from cash-pooling and cash management	84,802	75,823
Prepayments and other receivables out of IC	1,451	1,968
Other receivables IC	55,741	52,849
Allowances for other receivables	-89	-89
Total	141,905	130,551

In 2014, the average interest rate from cash management was 0.082% p.a. (0.074% p.a. in 2013).

The net interest income on the cash pool was EUR 97 thousand in 2014 (2013: net interest expense of EUR 70 thousand).

13. Cash and Cash Equivalents

<i>(in thousands of EUR)</i>	31 December 2014	31 December 2013
Cash in hand and in banks	-	-
Total	-	-

Cash in banks earns interest at floating rates based on the daily bank deposit rates.

14. Share Capital and Share Premium

	31 December 2014		31 December 2013	
	Number	In thousands of EUR	Number	In thousands of EUR
Share capital				
Authorized , issued and fully paid ordinary shares at a nominal value of EUR 33.19 per share	1,620,192	53,774	1,620,192	53,774

The share premium of EUR 25,738 thousand represents the positive difference between the total subscribed price of 230,765 ordinary shares and their nominal value in 1997.

15. Retained Earnings and Other Reserves

Retained earnings and other prior year reserves totalling EUR 50,510 thousand (as at 31 December 2013: EUR 66,169 thousand) include the legal reserve fund, other funds and gains/losses on ownership interests.

The legal reserve fund was established in accordance with the valid legislation to cover potential future losses and is not distributable. As at 31 December 2014, the fund amounted to EUR 10,776 thousand.

Other capital funds and gains/losses on revaluation of ownership interests were EUR 2,293 thousand as at 31 December 2014 (EUR 2,219 thousand as at 31 December 2013).

On 25 June 2014, the Annual General Meeting approved the financial statements of the Company for the prior year as at 31 December 2013 the payment of dividends of EUR 52,251 thousand (EUR 32.25 per share).

On 18 June 2013, the Annual General Meeting approved the financial statements of the Company for the prior year as at 31 December 2012 the payment of dividends of 69,669 thousand (EUR 43 per share).

16. Trade and Other Liabilities

<i>(in thousands of EUR)</i>	31 December 2014	31 December 2013
Trade payables	12,545	6,156
Liabilities from derivatives, cash pooling and cash management	19	105
Wages and social security	280	292
Other liabilities and other accrued liabilities	3,639	2,258
Total	16,483	8,811

Of which, not yet due	16,483	8,811
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Out of which social fund

<i>(in thousands of EUR)</i>	year 2014	year 2013
Balance as at 1 January	33	19
Total additions	42	50
Total use	40	-36
Balance as at 31 December	35	33

17. Provisions

<i>(in thousands of EUR)</i>	31 December 2013	Use	Release	Additions	31 December 2014
Long-term provisions					
Employee benefits provision	148	-6	-	64	206
Provision for contractual penalties	6,944	-4 251	-	-	2,693
Total long-term provisions	7,092	- 4 257	-	64	2,899
Short-term provisions					
Unused vacation and staff bonu					
Other	504	-409	-5	395	485
Unused vacation and staff bonu	718	-	-600	67	185
Total short-term provisions	1,222	- 1,009	-5	462	670
Total provisions	8,314	-5,266	-5	526	3,569

The Company expects that the long-term provisions for employee benefits and the provision for contractual penalties will be used in 2015 and the subsequent years.

17. Provisions (continued)

Provision for contractual penalties

Provision for contractual penalties represents obligation of Zentiva, a.s. to compensate any loss resulting from purchased quantities being lower than agreed in the contract. Minimum value of purchase orders are defined in the contract with the purchaser, these are compared to the sales forecast of the Group (Sanofi Group) for the period of three years following the sale of part of the business.

Provision for staff benefits

	31 December 2014	31 December 2013
Opening balance as at 1 January	148	4 324
Additions to unrecognized costs of previous periods	-	-
Provision transferred	-	-4 061
Costs of present and past services	47	53
Interest expense	4	38
Benefits paid	-6	-36
Actuarial gains or losses	13	-170
Closing balance as at 31 December	206	148

18. Cash Flows from Operating Activities

(in EUR thousands)

	31 December 2014	31 December 2013
Profit before tax and financial expenses from continuing operations	50,148	71,661
Loss before tax and financial expenses from discontinued operations	-	-61
Profit before tax and financial expenses	50,148	71,600
Non-monetary items		
Foreign exchange gains/losses on operating activities	-7	-169
Depreciation of tangible fixed assets (Note 6)	50	43
Amortization of intangible fixed assets (Note 7)	926	946
Movements in allowances	21	13
Loss from sale of production facility in Hlohovec	-	44
Movements in working capital		
Decrease/(Increase) in inventory	-	1,144
Decrease / (Increase) in trade receivables and other receivables	-2,704	24,390
Increase/(Decrease) in trade payables and other payables	7,622	-940
Movements in long-term provisions	-4,745	-3,981
Other movements in operating activities		
Interest received	97	70
Interest paid	-4	-38
Other	108	-84
Net cash flows from operating activities	51,512	93,038

19. Contingent Liabilities

Operating lease obligations

<i>(in thousands of EUR)</i>	2014	2013
Up to one year	470	434
From 1 to 5 years	658	400
Over five years	-	-
Total	1,128	834
Lease payments reported in the income statement for the period	549	495

Lawsuits

Lawsuits filed by the Company:

In 2014, the Company did not file any application for orders to pay, or rulings which could have a significant effect on the financial standing of the Company.

Lawsuits filed against the Company

V. Sika vs. the Company for payment of EUR 96 thousand (SKK 2,900 thousand) and related interest and fees on the grounds of incorrect wage categorization. The Company did not create provision for this lawsuit due to the fact that it deems the claim unsubstantiated.

Ing. Šnupárek and Ing. Ratkovská, CSc. vs. the Company for payment of EUR 130 thousand on the grounds of fees claimed by the co-inventors of a product. The Company has created a 100% provision for this lawsuit.

20. Related Party Transactions

For the purposes of these financial statements, related parties are those persons where one person controls the other or exercises significant influence on the other person upon making decisions regarding financial or operational matters.

The Group is controlled by Zentiva N.V. A summary of transactions that the Group made with the Zentiva N.V. group companies and Sanofi group companies in the period under review and related party balances is as follows:

Inter-company sales and purchases

<i>(in thousands of EUR)</i>	Sales in 2014	Purchases in 2014	Sales in 2013	Purchases in 2013
Zentiva International Hlohovec	104	-	4,965	-
Zentiva k.s. Praha	116	907	1,957	1,136
Zentiva Group Praha	-	5,457	-	8,609
Zentiva SA Bucharest	18	1,100	9	614
Zentiva N.V., the Netherlands	-	-	-	-
Zentiva HU Kft. Budapest	-	-	-	76
Eceazacibasi Zentiva Saglik	-	-	187	158
Sanofi-Aventis Pharma Slovakia s.r.o.	526	1,243	436	892
Francopia France	-	-	1,054	-0
Sanofi-Aventis SA France	-	-	-	-
Sanofi-Aventis France	103	36	76	53
Sanofi Winthrop Industries	111,129	-	143,615	-
Sanofi-Aventis Bulgaria	-	830	-	948
Sanofi_Aventis Spp PL	-	6,228	-	3,260
Sanofi-Aventis Estonia	-	264	-	534
Sanofi-Aventis Letonie	-	306	-	703
Sanofi –Aventis s r.o. Praha	-	5,472	-	6,807
Sanofi –Aventis Deutschland	-	-	321	-
Carring Insurance LTD Ireland	-	26	-	43
Sanofi-aventis s r.o. Slovakia	19,757	2,114	14,956	669

20. Related Party Transactions (continued)

Inter-company trade and other receivables were as follows:

(in thousands of EUR)

	31 December 2014	31 December 2013
Zentiva International, a.s. , Hlohovec	21	21
Zentiva k.s., Praha	116	81
Zentiva SA Bucharest	-	-
Zentiva HU Kft. Budapest	-	-
Zentiva Group a.s., Praha	-	-
Carring Insurance LTD Ireland	12	16
Sanofi-Aventis s r.o. Slovakia	1,768	1,696
Sanofi-Winthrop Industries France	65,500	61,913
Sanofi-Aventis Pharma Slovakia	642	442
Sanofi-Aventis Bulgaria	1	21
Sanofi-Aventis Estonia	-	121
Sanofi_Aventis Spp PL	443	573

Inter-company trade payables were as follows:

(in thousands of EUR)

	31 December 2014	31 December 2013
Zentiva k.s. Praha	900	419
Zentiva International a.s. Hlohovec	-	233
Zentiva SA Bucharest	151	91
Sanofi-Aventis s.r.o. Praha	939	1 652
Sanofi Winthrop Industries France	-	-
Sanofi-Aventis Lettonie	95	-
Sanofi_Aventis Lituanie	-	-
Sanofi Chimie Aramon	-	-
Winthrop Pharmaceutical Malaysia	-	-
Zentiva BG, Ltd. Sofia	-	-
Zentiva Group a.s., Praha	930	214
Sanofi-aventis Pharma Slovakia	1,174	602
Sanofi_Aventis Slovakia	512	561
Sanofi – Aventis Private Hungary	-	40
Sanofi-Aventis Estonia	108	1
Sanofi-Aventis Group France	49	51
Francopia	-	-

Other receivables and payables in the consolidated Group

(in thousands of EUR)

	31 December 2014	31 December 2013
Sanofi-Aventis SA France (cash pooling and management)	84,802	75,823
Total receivables	84,802	75,823
Sanofi-Aventis SA France (currency derivatives)	19	57
Total payables	19	57

As at 31 December 2014 the Company has intercompany currency derivatives.

Part of Zentiva employees has joined the Sanofi Stock Option & Restricted Share Plans (including a Global Employee Share Scheme as stated in Note 2v)). As of 31 December 2013 and 31 December 2012, the Company recognized EUR 624 thousand and EUR 561 thousand, respectively through the equity in connection with these share-based payment plans under IFRS 2.

On 25.10.2014, the shares granted by the parent company allotted to employees and thus a global employee share program terminated.

20. Related Party Transactions (continued)



Action 2013

Action 2013 is the employee share purchase plan that allowed the Company's employees to purchase shares of the Sanofi group at a discounted price within the limited subscription period. This offer of securities was realized within making use of an exception from the obligation to publish a prospectus referred to in Article 4 (1) (e) of Directive 2003/71/EC of the European Parliament and of the Council on the prospectus, in its current version.

Sanofi shares were offered to all eligible employees of the Sanofi group in more than eighty countries, in line with the increase of registered capital of Sanofi reserved for these employees. From 7 November 2013 to 24 November 2013, the so-called subscription period took place. The program was determined for all current employees of the Sanofi group (if they met the minimum period of employment condition, i.e., three months from the day of the so-called subscription period). At that time, employees could subscribe to (purchase) the required number of shares of the Sanofi group (max. 25 percent of annual gross salary for 2013; the minimum value of your subscription was the subscription price per subscription unit/share). Price per share for a Sanofi group employee was set at EUR 59.25, representing a 20 percent discount of the so-called reference price. This investment is subject to a five-year commitment period.

21. Subsequent Events

In 2015, a buy-out of shares continues realized by the parent company Zentiva N.V., Amsterdam.

Authorized for issue by:	Signature of accounting unit's statutory body:	Person responsible for financial statements (name, signature):	Person responsible for accounting (name, signature):
30 March 2015	Ing. Pavel Novák 	Ing. Pavel Novák 	Anna Šudyová 