



## 2008 Annual Report

(01.01.2008 – 31.12.2008)



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## 1. Historical Data

### 1.1. Establishment of the Company, Shareholding Structure

Česká lékárnická, a.s. was established in August 1995 in exchange of PHARMOS, a.s. shares held by individual pharmacists – natural persons for Česká lékárnická a. s. Shares. The company PHARMOS, a.s. has gained two dominant shareholders – Česká lékárnická a.s. based in Prague, ČR and Phoenix International Beteiligungs GmbH based in Mannheim, FRG. The initial interest of Česká lékárnická promoters was their efforts to concentrate individual small shareholders of PHARMOS, a.s. and facilitation of a qualitatively higher level of enforcement of shareholders' rights within PHARMOS, a.s., however, this company also started its own distribution activity to pharmacies.

Since the commencement of its own sale of pharmaceuticals and other medical supplies to pharmacies in 1996 the company has shown a significant growth of revenue from delivered goods and thus its position in the market specialised in sales of pharmaceuticals to pharmacies has been strengthened. During July-August 1999, Česká lékárnická a.s. bought back the selected assets of TAMDA, a.s. (the third largest distributor in the Czech market for supplying pharmacies within the Czech Republic) whereby the group of companies around Česká lékárnická a.s. has gained a significant position in the market specialised in selling goods to pharmacies in the ČR.

In 2002, there was an increase in the registered capital of the subsidiary PHARMOS, a.s. by CZK 37.7 mil. whereas Česká lékárnická, a.s. was a sole subscriber to this increase in the registered capital and gained a majority position (71.6 % share in the registered capital) in this significant distribution company. The increase in the registered capital in PHARMOS, a.s. was realised by means of a non-monetary deposit, whereas the subject of this deposit was represented by part of the Česká lékárnická, a.s. related to distribution, i.e. all company assets and liabilities related to distribution of pharmaceuticals, medical supplies, dental supplies, and the other range of goods. The non-monetary deposit procedure itself was duly approved by general meetings of both companies concerned and the subject of deposit was appraised by appraisers nominated by court. The intrinsic value of the non-monetary deposit represented approx. CZK 187 mil. Pursuant to the appraisal prepared in this way, whereas the value above the level of the true increase in the registered capital in PHARMOS, a.s. (CZK 37.7 mil.) represents the share premium. The determining day for realisation of this non-monetary deposit was the date 1.1.2002 and in 2002, Česká lékárnická, a.s. did not realise any business transactions representing distribution of goods and its own activity was represented namely by administration of financial investments and by realisation of services.

From 2002, the distribution companies within the group around Česká lékárnická, a.s. (i.e. PHARMOS, a.s., Pražská lékárnická s.r.o., Jihlavská lékárnická s.r.o., Plzeňská lékárnická s.r.o., and PHARMACY-distribuce léčiv s.r.o.) gained approx. 23-25 % of the Czech market specialised in supplying pharmaceuticals and medicinal preparations to public and hospital pharmacies and, based on the geographical locations of individual storehouses, it is able to supply the pharmacies all over the Czech Republic.

In 2004, Česká lékárnická, a.s. bought the shares of THERÁPON 98, a.s. and thus it became the dominant shareholder in this company. Česká lékárnická, a.s. owns an 80% equity share in the registered capital of THERÁPON 98, a.s.

In 2006, it became a joint founder of LEKTRANS s.r.o. and it also participates in transporting pharmaceuticals to individual, pharmacies.

In 2006, it extended its activity beyond the frontiers of our country, namely on the territory of the Slovak Republic. Along with TOP PHARMEX a.s., it established PHARMOS a.s. based in Topolčany.

In 2008, it became a joint founder of Moje lékárna a.s. and it participates in selling pharmaceuticals and services to individual pharmacies.

### 1.2. Activities, Operation of the Company

The main activity of Česká lékárnická, a.s., also in 2008, was the provision of services firstly in the area of business mediation and then the implementation of its own financial investments in subsidiaries.

Česká lékárnická, a.s. did not perform its own distribution in 2008. This distribution is performed by means of its distribution subsidiaries.

The registered office is Ostrava-Radvanice, Těšínská 1349/296, Postcode: 716 00.

## 2. Company Organisational Structure and Company Bodies

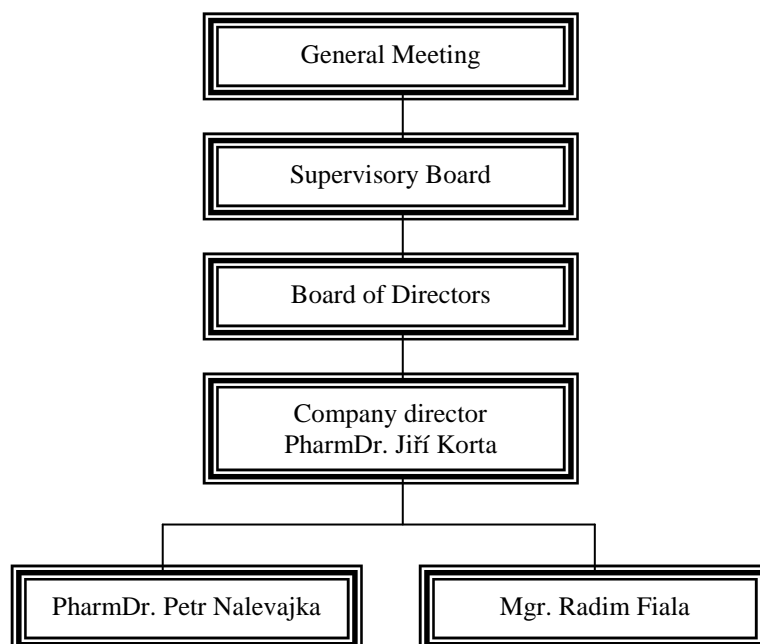
### 2.1. Company Organisational Structure

Compared to the situation in the previous year, the organisational structure of Česká lékárnická, a.s. underwent changes in 2008.

Changes and amendments executed in the Commercial Register during the fiscal period:

Type of change (amendment)	Date of change (amendment)
Changes in Board of Directors: - Chairman of the Board Deleted: Pavel Vítek Entered : PharmDr. Jiří Korta – Chairman - Board members Deleted: PharmDr. Jiří Korta-member Ing. Roman Kejzlar Ing. Oldřich Fiala Entered : Ing. René Butkov, Ph.D. PharmDr. Jiří Korta Deleted: Ing. René Butkov, Ph.D. Entered : Mgr. Radim Fiala PharmDr. Petr Nalevajka	Date of expiry 14.12.2007, deleted in the Company Register 1.2.2008 Date of initiation 14.12.2007, entered in the Company Register 1.2.2008  Deleted in the Company Register 1.2.2008, Deleted in the Company Register 16.8.2007, date of expiry 19.6.2007 Deleted in the Company Register 8.12.2008, date of expiry 7.10.2008 Date of initiation 14.12.2007, entered in the Company Register 1.2.2008 Date of initiation 19.6.2007, entered in the Company Register 16.8.2007 Deleted in Company Register 8.12.2008, date of expiry 7.10.2008 Date of initiation 7.10.2008, entered in the Company Register 8.12.2008 Date of initiation 7.10.2008, entered in the Company Register 8.12.2008
Changes in Supervisory Board: Mgr. Hamuzková Libuše Mgr. Eduard Bednařík	Date of membership initiation 27.6.2008, entered in the Company Register 4.9.2008 Date of membership initiation 27.6.2008, entered in the Company Register 4.9.2008

Organisational Structure of Česká lékárnická, a.s. (as of 31.12.2008)



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## 2.2. Company Bodies

### Members of statutory and supervisory bodies as of balance of accounts:

Function	Surname	Name	Title	Note
Chairman of the Board of Directors	Korta	Jiří	PharmDr.	
Member of the Board of Directors	Fiala	Radim	Mgr.	
Member of the Board of Directors	Nalevajka	Petr	PharmDr.	
Member of the Supervisory Board	Bárta	Petr	PharmDr.	
Member of the Supervisory Board	Byrtus	Petr	PharmDr.	
Member of the Supervisory Board	Hampel	Marek	Mgr.	
Member of the Supervisory Board	Veselka	Jaroslav	Mgr.	
Member of the Supervisory Board	Hamuzková	Libuše	Mgr.	
Member of the Supervisory Board	Bednařík	Eduard	Mgr.	

## 3. Profit and Loss

In 2008, Česká lékárnická, a.s. did not perform its own distribution in the area of pharmaceuticals and its own activity firstly consisted in realisation of administration of financial investments and in provision of services for the other companies in the system (organisation of community, cultural, education and sports events, etc.). In 2008, the company achieved the profit amounting to CZK 177 thousand before taxation.

### 3.1. Concise Information on Loss and Profit within the Group

The volume of the revenue from the goods sold in calendar year 2008 of all distribution companies within the trade group of companies around Česká lékárnická, a.s. (i.e. PHARMOS, a.s., Pražská lékárnická s.r.o., Jihlavská lékárnická s.r.o., Plzeňská lékárnická s.r.o., and PHARMACY-distribuce léčiv s.r.o., PHARMOS, a.s. (Slovakia)) and also by GALMED a.s., and Lekis s.r.o. amounted to a total of CZK 14.5 thousand million, VAT excluded, in an unconsolidated representation. The total profit achieved before taxes from distribution of pharmaceuticals (PHARMOS, Pražská lékárnická, Jihlavská lékárnická, PHARMACY-distribuce léčiv, PHARMOS, a.s. (Slovakia), Plzeňská lékárnická) represents the sum of CZK 28.5 mil. (including the loss of Plzeňská lékárnická amounting to CZK 9.8 mil.), furthermore, the profit before taxes amounting to CZK 14.9 mil. was realised in THERÁPON 98, a.s., GALMED a.s. and LEKTRANS s.r.o. that are engaged in other activities than the distribution of pharmaceuticals. Lekis s.r.o. had a loss amounting to CZK -6.6 mil.

The total profit realised before taxes (cumulated for the entire group of companies around Česká lékárnická a.s. ) represents the sum of CZK 37.3 mil. (by CZK 6.8 mil. more than last year). A multiple increase in total worth of the company was achieved during the joint activity of PHARMOS and Česká lékárnická on the Czech market, representing 18 years of continuous existence of services this year.

The total volume of equity capital in Česká lékárnická, a.s. is amounting to CZK 554 mil., which represents the value of CZK 29.3 thousand accruing to each share in nominal value of CZK 5 thousand.

#### 3.1.1. PHARMOS, a.s.

The most significant financial investment of Česká lékárnická, a.s. (in terms of volume) is indisputably **PHARMOS, a.s.** The company PHARMOS, a.s. was established in 1991 by Czech pharmacists. The keynote was the establishment of own pharmaceutical distribution that will create a professional and economic facility for independent pharmacists. In 1992, a German partner Stumpf AG entered in PHARMOS,a.s. with a 50% share in the registered capital (Stumpf AG became part of the Phoenix concern later). In 1995, the initial Pharmos shareholders established Česká lékárnická, a.s. in which their shares in PHARMOS, a.s. were transferred. Nowadays, Česká lékárnická, a.s. participates in the shareholding structure of Pharmos with 71.55 %. The other significant shareholder is Phoenix International Beteteiligungs GmbH with 28.45%.

PHARMOS, a.s. is a significant provider of logistic-storage warehousing services for business partners – suppliers and drug manufacturers. It is the second most significant distributor of pharmaceuticals on the Czech market with approx. 22 % market share. Besides the distribution of pharmaceuticals, it is also a significant distributor in the area of medical supplies and aids and dental preparations.

In 2008, PHARMOS, a.s. realised total revenue from sold goods in the amount of CZK 11.864 thousand million. The second most significant group of revenue is represented by those from realised services amounting to CZK 154 377 thousand. These are primarily the remunerations collected for keeping consignment stocks, remunerations for mediation of sale of goods

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and marketing services. The dominant part of the revenue realised from sold goods included the supplies of pharmaceuticals, medical supplies, dental preparations and other supplementary range of goods to public and hospital pharmacies, medical outlets and dental laboratories. The margin realised was CZK 306 103 thousand during 2008, i.e. approx. 2.58 % of the margin in a relative value. The Profit or loss from operations amounted to CZK 132 912 thousand. The total Profit or loss from operations after taxes amounts to CZK 11 739 thousand.

The equity capital of the company has been increased by CZK 11 738 thousand and its total amount has reached the sum of CZK 576 858 thousand. This increase in equity capital has favourable effects on ratio indicators.

Owing to Profit or loss from operations achieved during 2008 the equity capital of the company was furthermore strengthened, which stabilized the financial sources of PHARMOS, a.s. as well.

#### Selected Economic Indicators of PHARMOS, a.s. (in thousands of CZK)

	2006	2007	2008
Revenue from goods	10 149 993	11 530 913	11 864 300
Margin	318 081	349 526	306 103
Revenue from services	158 799	157 927	154 377
Consumables	26 675	25 029	22 008
Services	144 226	141 652	145 529
Added value	305 979	340 772	292 943
Wages and salaries	160 595	164 715	162 164
Profit or loss from operations before taxation	37 941	17 760	24 923
Total assets	3 826 678	3 915 180	3 571 284
Fixed assets	324 711	311 645	273 965
Short-term assets	3 500 013	3 601 343	3 289 650
Reserves	1 081 904	906 785	777 115
Receivables	2 373 870	2 695 579	2 429 606
Financial asset	44 239	65 179	82 929
Equity	552 872	565 120	576 858
Registered capital	342 800	342 800	342 800
Other resources	3 273 287	3 349 836	2 991 855

However, changes in the area of prescribing pharmaceuticals and movement of prescriptions in 2008 contributed to the fact that different development in the area of public and hospital pharmacy market growth continued whereas the hospital pharmacy market noted a significant growth.

Despite these highly negative pressures, the company PHARMOS showed positive Profit or loss from operations and was able to maintain its market position on the Czech market.

### 3.1.2. Distribution Companies

A separate, yet no less significant chapter in the area of distribution are the **limited liability distribution companies (Pražská lékárnická s.r.o., Jihlavská lékárnická s.r.o., Plzeňská lékárnická s.r.o., and PHARMACY-distribuce léčiv s.r.o.)** that distribute pharmaceuticals to public pharmacies on a regional principle. The idea of regional distribution, based on cooperation of Česká lékárnická and regional pharmacists, is developed within the companies around Česká lékárnická, a.s. The company Česká lékárnická, a.s. participates in these regional limited liability companies with a minimum of 50 % trade share and PHARMOS, a.s. provides these companies with logistic-marketing facilities and support. The principle Limited Partner – Pharmacy owner – Regional Pharmacist is promoted in these companies.

In 2008, the limited liability distribution companies realised a total amount of CZK 2.1 thousand million in revenue from the goods delivered to their customers. These companies are successfully established themselves on regional markets and seek advantages in the area of logistics support, marketing, and other administrative activities linked with PHARMOS, by which means another value for a pharmacist is created. These distribution companies are developing very successfully and contribute to a positive development of distribution as a whole. In terms of total profit formation and thereby the contribution both to Česká lékárnická and to regional pharmacists-partners Pražská lékárnická is the most interesting as it works on the basis of the so-called virtual warehouse (i.e. the company fully exploits warehousing services in terms of storage of goods in PHARMOS Brandýsek locality), nevertheless, profit formation in the other companies does not lag behind. The only exception is Plzeňská lékárnická s.r.o. which realised a loss of CZK 10.1 mil. in 2008.

**Selected Economic Indicators of Jihlavská lékárnická s.r.o. (in thousands of CZK)**

	2006	2007	2008
Revenue from goods	341 656	317 202	360 842
Margin	11 889	10 146	10 800
Revenue from services	150	150	480
Consumables	383	545	284
Services	3 222	3 235	4 529
Added value	8 434	6 516	6 467
Cost of staff	4 786	4 776	5 205
Profit or loss from operations before taxation	2 032	518	-229
Total assets	72 625	71 409	101 744
Fixed assets	141	117	111
Short-term assets	72 480	71 288	100 250
Stock	22 013	17 288	17 820
Receivables	50 251	50 302	81 577
Financial asset	56	3008	853
Equity	10 038	9 280	10 647
Registered capital	2 500	2 500	2 500
Other resources	62 484	61 827	91 088

**Selected Economic Indicators of Plzeňská lékárnická s.r.o. (in CZK '000)**

	2006	2007	2008
Revenue from goods	506 375	541 526	411 245
Margin	14 621	15 349	12 863
Revenue from services	2 644	1 125	715
Consumables	774	950	871
Services	8 016	8 917	8 359
Added value	8 475	6 607	4 348
Cost of staff	5 961	6 454	7 025
Profit or loss from operations before taxation	1 755	-1 758	-9 790
Total assets	154 092	170 772	94 642
Fixed assets	1 005	424	280
Short-term assets	152 639	169 068	93 224
Stock	25 455	18 777	18 859
Receivables	126 040	144 046	72 032
Financial asset	1 144	6 245	2 333
Equity	9 407	7 686	-2 435
Registered capital	3 400	3 300	3 300
Other resources	144 616	161 662	96 958

**Selected Economic Indicators of Pražská lékárnická s.r.o. (in CZK '000)**

	2006	2007	2008
Revenue from goods	484 986	544 167	572 518
Margin	15 468	17 435	20 688
Revenue from services	1 019	1 113	1 042
Consumables	430	380	396
Services	5 859	8 691	8 727
Added value	10 198	9 477	12 607
Cost of staff	2 103	3 058	3 445
Profit or loss from operations before taxation	2 526	1 916	6 549
Total assets	111 782	125 950	111 897
Fixed assets	480	421	88
Short-term assets	111 106	124 674	111 025
Stock	0	1 643	820
Receivables	109 228	117 098	107 375
Financial asset	1 878	5 933	2 830

Equity	10 258	11 479	13 055
Registered capital	4 600	4 600	4 600
Other resources	101 490	114 422	98 722

### Selected Economic Indicators of Pharmacy – distribuce léčiv s.r.o. (in CZK '000)

	2006	2007	2008
Revenue from goods	631 136	737 141	799 405
Margin	32 040	26 980	26 917
Revenue from services	165	2 535	540
Consumables	858	863	720
Services	11 707	10 416	13 501
Added value	19 640	18 422	13 236
Cost of staff	7 518	7 790	7 932
Profit or loss from operations before taxation	10 645	5 819	4 315
Total assets	210 177	271 440	231 772
Fixed assets	145	590	349
Short-term assets	209 995	270 850	231 344
Stock	34 115	30 823	31 291
Receivables	174 970	236 134	185 108
Financial asset	910	3 893	14 945
Equity	24 220	26 500	29 719
Registered capital	1 100	1 100	1 100
Other resources	182 397	244 063	196 844

### 3.1.3. PHARMOS, a.s. based in Nitra, Slovakia

PHARMOS, a.s. was entered in the Company Register at the District Court in Nitra under ID No. 35974559 on 18.1.2006. In March 2006, it was given a permission for distribution of pharmaceuticals on the territory of the Slovak Republic from the warehousing facilities in Topolčany where the company has also its registered office at Odbojárov 340/29. The other shareholder is TopPharmex, spol. s r.o, ID No. 31441131 involved in a bulk distribution activity as a local distributor in the central and western parts of Slovakia. The share of Česká lékárnická, a.s. is 50.0% and that of TOP PHARMEX a.s. is 50.0 % in the registered capital of the company.

To provide high quality distribution services, on 25.5.2006, the charter members bought a warehousing facility at Levická 11, Nitra, the registered office was also moved there; the storage ground is approx. 2200m<sup>2</sup> and after it was reconstructed and equipped with storage and handling devices, its operation was started in March 2007. Owing to the area of the warehouse and anticipated incomes for pharmacies, the part of the warehouse with approx. 1000 pallet places is prepared for offering pre-wholesaling services to manufacturers and suppliers. In the course of 2008, PHARMOS signed a pre-wholesaling contract with GSK. The objective is to build a distribution covering all the country, therefore, other warehousing facilities are prepared in Košice and Ružomberok as well.

### Selected Economic Indicators of PHARMOS, a.s. based in Nitra (in thousands of SKK)

	2006	2007	2008
Revenue from goods	12 636	182 246	513 751
Margin	288	14 068	27 527
Revenue from services	11	150	4 278
Consumables	3 176	3 975	5 078
Services	947	3 342	5 621
Added value	-3 824	6 901	21 106
Cost of staff	758	6 473	11 013
Profit or loss from operations before taxation	-4 748	-1 933	3 067
Total assets	14 986	129 905	210 017
Fixed assets	2 149	2 380	3 415
Short-term assets	12 801	127 151	203 925
Stock	5 094	49 665	64 275
Receivables	7 195	72 025	127 837
Financial asset	512	5 461	11 813



Equity	5 252	3 319	7 387
Registered capital	10 000	10 000	10 000
Other resources	9 735	126 284	201 812

### 3.1.4. THERÁPON 98, a.s.

**THERÁPON 98, a.s.** is a company running a private medical facility – the Policlinic in Kopřivnice. The company is a provider of comprehensive medical services in the form of its own medical performances in the area of surgery, surgery plastic, gynaecology, urology, neurology, general practitioner, radio diagnosis, convalescence and physiotherapy, allergology, immunology, dermatology ward, diabetology, cardiology and other internal medicine branches, home care, and rescue ambulance service.

Within the scope of the multifunctional building of the Policlinic, the company rents private outpatient physicians – specialists the premises. The company has built a residential treatment ward with 46 beds furnished in a modern way. The workplaces are regularly supplemented in compliance with modern trends in the development of medicine.

The endeavour of THERÁPON 98, a.s. is to develop the overall level of health care so that the provided health care can satisfy the requirements of people in the given region and contribute to its further development.

In 2008, the company realised the total volume of performances (performances for health insurance companies and services for renters) by total of CZK 72.5 mil. with total profit before taxation amounting to CZK 12.5 mil.

#### Selected Economic Indicators of THERÁPON 98, a.s. (in CZK '000)

	2006	2007	2008
Revenue from goods	0	0	0
Margin	0	0	0
Revenue from services	66 230	69 353	72 572
Consumables	8 293	9 091	10 309
Services	7 138	7 701	8 334
Added value	50 799	52 561	53 929
Cost of staff	32 434	36 328	37 916
Profit or loss from operations before taxation	9 418	13 457	12 578
Total assets	93 672	96 516	96 340
Fixed assets	78 803	85 578	84 414
Short-term assets	13 497	9 926	11 438
Stock	400	425	313
Receivables	5 148	6 556	5 039
Financial asset	7 949	2 945	6 086
Equity	59 932	70 863	81 300
Registered capital	26 769	26 769	26 769
Other resources	33 645	25 622	14 331

### 3.1.5. GALMED a.s.

GALMED a.s. began working actively in 2003. It is fully owned by Česká lékárnická, a.s. The company GALMED a.s. is focused on production of pharmaceuticals (primarily in over-the-counter drugs), further on parapharmaceuticals (vitamins, minerals, tonics, syrups, teas, tonics, extracts, medical cosmetics, etc.) and medical supplies.

The objective of GALMED a.s. is to create a wide portfolio of medicaments, parapharmaceuticals, and medical supplies which ranks among common preparations sold and used daily.



The separate and specific activity of GALMED a.s. is the production where GALMED a.s. is a holder of the authorisation for a productive activity to the extent of intervention in a secondary package of a medicine, usually referred to as repackaging. They make customer-tailored alterations to the outward packing – supplementation or replacement of a secondary package, leaflet information, etc.

**The productive company GALMED a.s.** is even now a booming company with a significant potential for future generation of profits and benefits for pharmacists-shareholders of Česká lékárnická. Annually, a significant increase in the volume of realised revenue and in the volume of products sold takes place and the product portfolio distributed under the GALMED header is notably enlarged. The GALMED manufacturer becomes a noted trade mark on the Czech distribution market and for customers – patients as well. Further projects prepared in the area of products and individual product lines enable them to develop this trend even further and speed it up into the future. The total volume of goods sold amounted to CZK 34.8 mil.

#### Selected Economic Indicators of GALMED, a.s. (in CZK '000)

	2006	2007	2008
Revenue from goods	0	37 032	34 821
Margin	0	11 770	11 494
Revenue from services	8 258	0	2 274
Consumables	379	438	627
Services	1 846	4 360	3 850
Added value	6 033	6 972	9 291
Cost of staff	3 037	3 010	3 648
Profit or loss from operations before taxation	974	-28	1 099
Total assets	25 127	19 370	22 677
Fixed assets	150	3 034	3 147
Short-term assets	24 786	16 172	19 345
Stock	14 754	11 005	9 558
Receivables	9 681	3 516	7 152
Financial asset	351	1 651	2 572
Equity	17 321	17 294	18 305
Registered capital	12 000	12 000	12 000
Other resources	7 806	2 076	4 343

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### 3.1.6. Lekis s.r.o.

Lekis s.r.o. is a company providing comprehensive services in the pharmaceutical service sector. It provides deliveries of information technologies and related cable laying, hardware supplies, training, servicing, and all expendable supplies. It ensures projects and installation of communication (computer and telephone) wiring.

At present, the company primarily concentrates on finalization of a brand new version of Lekis software, then on development of the existing version of Lekis software and on development of Algis software. Installation, training, and provision of quality support of software at the customers rank among the most important activities. Thanks to this philosophy, Lekis software has become most installed and fastest system in Czech pharmacies during 12 years.

The second main sphere of activities of the company is development, installation, and subsequent administration of the information system for pharmaceutical warehouse keeping. The company also provides the distributors with communication software for electronic ordering of goods from pharmacies all over the Czech Republic and a possibility to download delivery notes electronically.

In 2008, Lekis realised the revenue from goods sale (primarily hardware) amounting to CZK 17.9 mil. and further the revenue from realised performances (services, software development, etc.) amounting to CZK 46.9 mil. In terms of capital participation, Česká lékárnická a.s. has 19.7% and PHARMOS, a.s. has 17.7 % share in the registered capital of the company. The majority shareholder in Lekis, s.r.o. is HB system with 55%.

#### Selected Economic Indicators of Lekis s.r.o. (in CZK '000)

	2006	2007	2008
Revenue from goods	18 747	18 000	17 915
Margin	3 919	3 748	3 623
Revenue from services	48 264	49 566	46 963
Consumables	8 070	9 082	9 716
Services	16 154	15 860	15 535
Added value	30 554	29 736	25 577
Cost of staff	27 575	26 897	28 375
Profit or loss from operations before taxation	703	- 223	- 6 215
Total assets	22 877	23 451	21 844
Fixed assets	11 070	9 848	9 985
Short-term assets	11 010	11 142	10 061
Stock	3 430	3 360	3 742
Receivables	7 424	7 051	6 154
Financial asset	156	731	165
Equity	5 101	4 529	- 2 078
Registered capital	232	232	232
Other resources	18 081	15 514	19 770

### 3.1.7. LEKTRANS s.r.o.

In September 2006, LEKTRANS s.r.o. was established, its partners are Česká lékárnická, a.s. /51% share/ and the carrying agents Stanislav Hrubý, Roman Pospíšil, Jaromír Pospíšil, and Leoš Nesvadba /49% share in total/. The objective was to take over the conveyance of goods to pharmacies, medical outlets, and dental surgeries operating in Ostrava and in Brno and to ensure provision of a higher standard of services in comparison with external carriers. The carriage stock was also unified, after implementation of a tender, vehicles FORD TRANSIT and vehicles FORD CONNECT were purchased. Carriage was taken over from external carriers smoothly and the services provided by LEKTRANS are evaluated positively not only by the Pharmos management in Ostrava and Brno, but especially by pharmacists.

#### Selected Economic Indicators of LEKTRANS s.r.o. (in CZK '000)

	2006	2007	2008
Revenue from goods	0	0	0
Margin	0	10 336	15 883
Revenue from services	0	16 951	29 510
Consumables	0	4 079	6 843
Services	0	6 257	9 040
Added value	0	6 615	13 627
Cost of staff	0	7 258	12 028
Profit or loss from operations before taxation	0	- 1 107	1 240
Total assets	0	6 955	5 898
Fixed assets	0	386	480
Short-term assets	0	3 369	3 281
Stock	0	11	11
Receivables	0	3 214	3 240
Financial asset	0	144	30
Equity	0	- 733	506
Registered capital	0	400	400
Other resources	0	7 672	5 392

### 3.1.8. Moje lékárna, a.s.

In December 2008, Moje lékárna, a.s., its partner is Česká lékárnická, a.s. (100% share). Moje lékárna is a joint project of association of independent pharmacists who, being aware of their responsibility to patients and customers, make efforts to improve the quality of their services. However, this project is primarily a portal with presentation of information about diseases, self-medication products, about facilities with medical issues, and about pharmacies ranked in this project. These pharmacies are easily identifiable even externally by a common logo [mojelekarna.cz](http://mojelekarna.cz). The pharmacies in the project are regularly trained in the area of consultancy with special focus on geriatric patients guaranteed professionally by the Czech Society of Gerontology and Geriatrics. This form of education is necessary for pharmacists and the objective of this project is to improve communication with seniors who make up nearly two thirds of all customers of the pharmacy. It is also a group of patients with the highest frequency of application of several kinds of prescription and off-prescription drugs resulting in considerable problems related to undesirable effects, drug interactions, etc. At the end of 2008, this educational cycle was terminated by obtaining a certificate. More than 180 pharmacies are involved in this project at present, their number continuously grows so that you can use their services all over the Czech Republic.

On 27.5.2009, the company Moje lékárna, a.s. was renamed to Sanovia, a.s.

The Profit or loss from operations of the above mentioned companies within the group around Česká lékárnická, a.s. were duly audited by an independent auditor with the statement "**Clean**", with the exception of LEKTRANS s.r.o. – the statement "exclusively", Lekis, s.r.o. – the statement "with note", Pízeňská lékárnická s.r.o. – the statement "exclusively". Moje lékárna, a.s. was not audited. The final accounts of this company is postponed to the year 2009.

**Brief recapitulation - year 2008 (the companies within the group around Česká lékárnická, a.s.)**

Item (in CZK '000)	PHARMOS, a.s.	Pražská lékárnická s.r.o s.	Jihlavská lékárnická s.r.o.	Plzeňská lékárnická s.r.o.	PHARMACY-distribuce léčiv s.r.o.	PHARMOS, a.s *) (Slovakia)	GALMED a.s.	Lekis s.r.o.	THERÁPON 98, a.s.	LEKTRANS s.r.o.
Revenue from goods sold	11 864 300	572 518	360 842	411 245	799 405	458 959	34 821	17 915		
Margin	306 103	20 688	10 800	12 863	26 917	24 591	11 494	3 623		
Revenue from services (performances)	154 377	1 042	480	715	540	3 822	2 274	46 963	72 572	29 510
Consumption from operation	167 537	9 123	4 813	9 230	14 221	9 558	4 477	25 251	18 643	15 883
Profit or loss from operations	132 912	7 470	214	-9 503	5 750	7 917	1 427	-5 958	12 782	1 486
Income from financial operations	-107 989	-921	-443	-287	-1 435	-5 177	-328	-257	-204	-246
<b>Income before taxation</b>	<b>24 923</b>	<b>6 549</b>	<b>-229</b>	<b>-9 790</b>	<b>4 315</b>	<b>2 740</b>	<b>1 099</b>	<b>-6 215</b>	<b>12 578</b>	<b>1 240</b>
<b>After-tax profit</b>	<b>11 739</b>	<b>3 611</b>			<b>3 319</b>	<b>2 740</b>	<b>1 011</b>		<b>10 737</b>	<b>1 240</b>
<b>After-tax loss</b>			-938	-10 112					-6 607	
Total assets	3 571 284	111 897	101 744	94 642	231 772	187 620	22 677	21 844	96 340	5 898
Short-term assets	3 289 650	111 025	101 744	93 224	231 344	182 176	19 345	10 061	11 438	3 281
<b>Equity</b>	<b>576 858</b>	<b>13 055</b>	<b>10 647</b>	<b>- 2 435</b>	<b>29 719</b>	<b>6 599</b>	<b>18 305</b>	<b>-2 078</b>	<b>81 300</b>	<b>506</b>
<b>Registered capital</b>	<b>342 800</b>	<b>4 600</b>	<b>2 500</b>	<b>3 300</b>	<b>1 100</b>	<b>8 934</b>	<b>12 000</b>	<b>232</b>	<b>26 769</b>	<b>400</b>
<b>Other resources</b>	<b>2 991 855</b>	<b>98 722</b>	<b>91 088</b>	<b>96 958</b>	<b>196 844</b>	<b>180 290</b>	<b>4 343</b>	<b>19 770</b>	<b>14 331</b>	<b>5 392</b>
<b>Property shares</b>										
Česká lékárnická, a.s.	71.6%	50.0%	50.0%	50.0%	51.0%	50.0%	100.0%	19.7%	80 %	51%
PHARMOS, a.s.								17.7%		
Subject of enterprise	medical drug distribution	medical drug distribution	medical drug distribution	medical drug distribution	medical drug distribution	medical drug distribution	Production	HW/SW distribution	policlinic-health care	Transport

\* The results of PHARMOS, a.s. based in Nitra are converted by the conversion rate as of 31.12.2008 according to ČNB

\*\*\*) The results of Moje lékárna a.s. were not available as of compilation of this report

Item (in CZK '000)	Česká lékárnická a.s.	Moje lékárna a.s. (***)	Total
Revenue from goods sold			14 520 005
Margin			417 079
Revenue from services (performances)	2 097		314 392
Consumption from operation	1 398		280 134
Profit or loss from operations	-172		154 325
Revenues from long-term financial asset	420		420
Income from financial operations	349		-116 938
<b>Income before taxation</b>	<b>177</b>		<b>37 387</b>
<b>After-tax profit</b>	<b>177</b>		<b>34 574</b>
<b>After-tax loss</b>			<b>-17 657</b>
Total assets	555 426		5 001 144
Short-term assets	13 623		4 066 911
<b>Equity</b>	<b>554 498</b>		<b>1 286 974</b>
<b>Registered capital</b>	<b>94 156</b>		<b>496 791</b>
<b>Other resources</b>	<b>922</b>		<b>3 700 515</b>
<b>Property shares</b>			
Česká lékárnická, a.s.	x		
PHARMOS, a.s.			
Line of business	x		

#### 4. Selected data from the Česká lékárnická, a.s. Balance Sheet

TEXT (NET SITUATION) IN CZK '000	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008
Total assets	172 901	175 371	517 648	538 344	555 426
Stock subscription receivable	8 655	-	-	-	-
Fixed assets	150 881	150 881	508 745	526 363	541 802
Intangible fixed assets	-	-	-	-	-
Tangible fixed assets	3 800	3 800	17 500	18 022	13 150
Fixed financial asset	147 081	147 081	491 245	508 341	528 652
Short-term assets	13 365	24 490	8 903	11 981	13 623
Stock	-	-	-	-	-
Long-term debtors	26	26	-	-	-
Short-term debtors	12 142	24 047	8 229	4 636	4 334
Financial asset	1 197	117	674	7 346	9 289
Other assets-temporary asset accounts	-	-	-	-	-
Total liabilities	172 901	175 371	517 648	538 344	555 426
Equity	160 784	168 105	512 609	536 525	554 498
Registered capital	90 000	90 000	90 000	94 500	94 156
Capital funds	12 808	12 808	12 808	372 206	390 517
Funds from profit	22 000	23 000	27 000	27 000	27 000
Profit or loss from previous years	25 162	25 390	28 643	42 510	42 648
Profit or loss of current year	10 814	16 907	14 089	309	177
Other resources	12 117	7 266	5 039	1 819	922
Reserves	100	100	-	-	-
Long-term liabilities	-	-	-	2	2
Short-term liabilities	12 017	7 166	5 033	1 817	920
Bank loans and overdrafts	-	-	-	-	-
Other liabilities-temporary liability accounts	-	-	-	-	-

## 5. Selected data from the Česká lékárnická, a.s. Profit and Loss Account

TEXT (IN CZK '000)	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008
Performances	6 735	12 578	13 138	2 284	2 097
Revenue from sale of own products and services	6 735	12 578	13 138	2 284	2 097
Capitalization	-	-	-	-	-
Consumption from operation	639	189	2 121	516	1 398
Consumables	23	-	21	59	190
Services	616	189	2 121	457	1 208
Added value	6 096	12 389	10 996	1 768	699
Cost of staff	1740	1 731	2 068	2 489	2 176
Wages and salaries	1 321	1 308	1 532	1 844	1 611
Social and health insurance	419	423	536	645	565
Taxes and charges	39	70	1	322	322
Depreciation of intangible and tangible fixed assets	-	-	155	331	327
Sale of fixed assets and materials	1	-	-	-	6 453
Net book value of sold fixed assets and materials	-	-	-	-	4 595
Clearance of reserves and adjusting entries in the area of operations and income	-	-	100	-	4 595
Creation of reserves and adjusting entries in the area of operations and expenses	-	-	-	-	-
Other operating income	-	42	-	61	108
Other operating expenses	2	9	7	78	12
Profit or loss from operations	4 316	10 621	8 865	-1 391	-172
Fixed financial asset income	8 154	8 878	7 359	1 688	420
Interest income	262	450	129	1	3
Interest expenses	-	-	175	-	-
Other financial income	-	-	223	150	5
Other financial expenses	18	66	15	169	79
Profit or loss from financial operations	8 398	9 262	7 521	1 670	349
Income tax on ordinary activities	1 900	2 976	2 297	- 30	-
-due	1 898	2 976	2 265	- 26	-
-deferred	2	-	32	- 4	-
Profit or loss from ordinary activities	10 814	16 907	14 089	309	177
Extraordinary income	-	-	-	-	-
Extraordinary expenses	-	-	-	-	-
Income tax on extraordinary activities	-	-	-	-	-
Extraordinary profit or loss	-	-	-	-	-
Profit or loss of current year	10 814	16 907	14 089	309	177
Profit or loss before taxation	13 094	12 714	19 883	279	177

## 6. Selected data from the Česká lékárnická, a.s. Cash Flow Statement

No.	Text (IN CZK '000)	2004	2005	2006	2007	2008
<b>P.</b>	Balance of funds and monetary equivalents at the beg. of the accounting period	157	1 197	117	674	7 345
<b>Cash flow from the main economic activity (operations)</b>						
<b>Z.</b>	Book profit/loss from ordinary activity before taxation	12 714	19 883	16 387	277	177
<b>A.1.</b>	Adjustments with non-monetary operations	-263	-9 328	-7 258	-1 358	-1 955
<b>A.1.1.</b>	Depreciation of fixed assets (+) except for net book value of fixed assets sold	-	-	155	331	327
<b>A.1.2.</b>	Variation in adjustments and reserves, and variat. in temp. asset and liab. acc.(+/-)	-	-	-100	-	-
<b>A.1.3.</b>	Profit (loss) from the sale of fixed assets (-/+)	-1	-	-	-	-1 859
<b>A.1.4.</b>	Revenue from dividends and share of profit (-)	-	-8 878	-7359	-1 688	-420
<b>A.1.5.</b>	Settled expense interests (+) and settled income interests (-)	-262	-450	46	-1	-3
<b>A*</b>	Net cash flow from oper. act. before tax., changes in work.cap. and extraord. items	12 451	10 555	9 129	-1 081	-1 778
<b>A.2.</b>	Change in the need of working capital	-13 285	-9 969	16 426	-8 885	535
<b>A.2.1.</b>	Variation in operating activity receivables (+/-)	-11 671	-3 550	16 542	-6 236	1 422
<b>A.2.2.</b>	Variation in operating activity short-term liabilities (+/-)	-1 614	-6 419	-116	-2 649	-887
<b>A.2.3.</b>	Variation in stocks (+/-)	-	-	-	-	-
<b>A**</b>	Net cash flow from operating activity before taxation and extraordinary items	-834	586	25 555	-9 966	-1 243
<b>A.3.</b>	Expenditure on interests paid except for capitalized interests (-)	-	-	-175	-	-
<b>A.4.</b>	Interests received (+)	262	450	129	1	3
<b>A.5.</b>	Tax paid on income from ordin. act. and for additional tax assess. for previous years	-2 124	-1 519	-3 892	-2 779	1 523
<b>A.7.</b>	Received dividends and shares in profit	-	-	-	1 688	420
<b>A***</b>	Net cash flow from operations	-2 696	8 395	7 359	-11 056	703
<b>Cash flow from investment activities</b>						
<b>B.1.</b>	Expenditures related to acquisition of fixed assets	-22 530	-	-17 950	17 949	-5 889
<b>B.2.</b>	Income from sale of fixed assets	-	-	-	-	7 134
<b>B.3.</b>	Loans and credits for related persons	-	-	-	-	-
<b>**</b>	Net cash flow related to investment activity	-22 530	-	-17 950	17 949	1 245
<b>Cash flow from financial activities</b>						
<b>C.1.</b>	Variation in long-term or short-term liabilities	-	-	-	-	-
<b>C.2.</b>	Impact of variation in equity on funds	-	-	-10 469	-222	-4
<b>C.2.1.</b>	Increase in funds and monet. equiv. due to increased reg. capital, reserve fund (+)	29 955	-	-	-	-
<b>C.2.2.</b>	Payment of share in equity to associates (-)	-	-	-	-	-
<b>C.2.3.</b>	Monetary don. and allocat. into equity and other ass.s' and shareholders' deposits (+)	-	-	-	-	-
<b>C.2.4.</b>	Settlement of loss on behalf of associates (+)	-	-	-	-	-
<b>C.2.5.</b>	Direct payments due to debit of funds (-)	-	-	-	-	-
<b>C.2.6.</b>	Dividends paid including paid withholding tax (-)	-3 689	-9 475	-10 469	-222	-4
<b>C.3.</b>	Received dividends (+)	-3 689	-	-	-	-
<b>C***</b>	Net cash flow related to financial activity	26 266	-9 475	-10 469	-222	-4
<b>F.</b>	Net increase/decrease in the balance of funds	1 040	-1 080	557	6 671	1 944
<b>R.</b>	Balance of funds and monetary equivalents at the end of the accounting period	1 197	117	674	7 345	9 289



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## 7. Company Supervisory Board Report

### Company Supervisory Board Report Concerning 2008 Financial Statements

The Supervisory Board of Česká lékárnická, a.s. was duly informed about the development of the business activity of the company and fulfilled all the pertinent tasks according to the Czech system of law and according to the Articles of Association.

The Final Accounts and Annual Report were audited as of 31st December 2008 by AUDIT PROFESIONAL, spol. s r.o., the company's auditor. The Supervisory Board has examined the Annual Report and approves the findings contained in the Auditor's Report as of 31st December 2008.

The Supervisory Board would like to thank all the members of the Board of Directors and to all workers of Česká lékárnická, a.s. participating in the company's activity.



Supervisory Board

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## 8. Independent Auditor's Report concerning the Annual Report

/AP/ref. No. 56/2009

### Independent Auditor's Report

Dedicated to the shareholders of Česká lékárnická, a.s.

### Financial Statements Report

According to the auditing carried out, we issued a report to the Financial Statements which is part of this Annual Report of Česká lékárnická, a.s. stating the following:

"We audited the enclosed Financial Statements of Česká lékárnická, a.s., i.e. the Balance Sheet as of 31 December 2008 and the Profit and Loss Statement, the Summary of Changes in Equity and the Cash Flow Statement for the period from 01.01.2008 to 31.12.2008 and the enclosure to this Financial Statements, including the description of applied important accounting methods. The data on Česká lékárnická, a.s. are presented in the Enclosure to this Financial Statements.

**In our opinion, the Financial statements give a true and honest image of assets and liabilities and financial situation of Česká lékárnická, a.s. as of 31.12.2008 and of expenses, revenues, operating results and cash flows during the year 2008 in compliance with the Czech Accounting Standards."**

### Report on the Annual Report

We also audited the conformity of the Annual Report of Česká lékárnická, a.s. with the above mentioned Financial Statements. Our task is to issue an auditor's opinion on the compliance of the operating results with the Financial Statements based on the auditing carried out.

We carried out the auditing in compliance with the International Auditor Standards and related application clauses of the Chamber of Auditors of the Czech Republic. According to these standards, the auditor is required to plan and carry out auditing so as to obtain adequate assurance that the information included in the Annual Report, describing the facts that are also the subject of the image in the Financial Statements, is in compliance with the appropriate Financial Statements in all relevant aspects. We are convinced that the auditing we carried out provides adequate data for the auditor's opinion.

**In our opinion, the information given in the Annual Report of Česká lékárnická, a.s. as of 31.12.2008 is in compliance with the aforesaid Financial Statements in all relevant aspects.**

### Report on relations

The Report on Relations was not verified because the accounting unit is not controlled by a controlling entity that satisfies the condition in par. 66a of the Commercial Code.

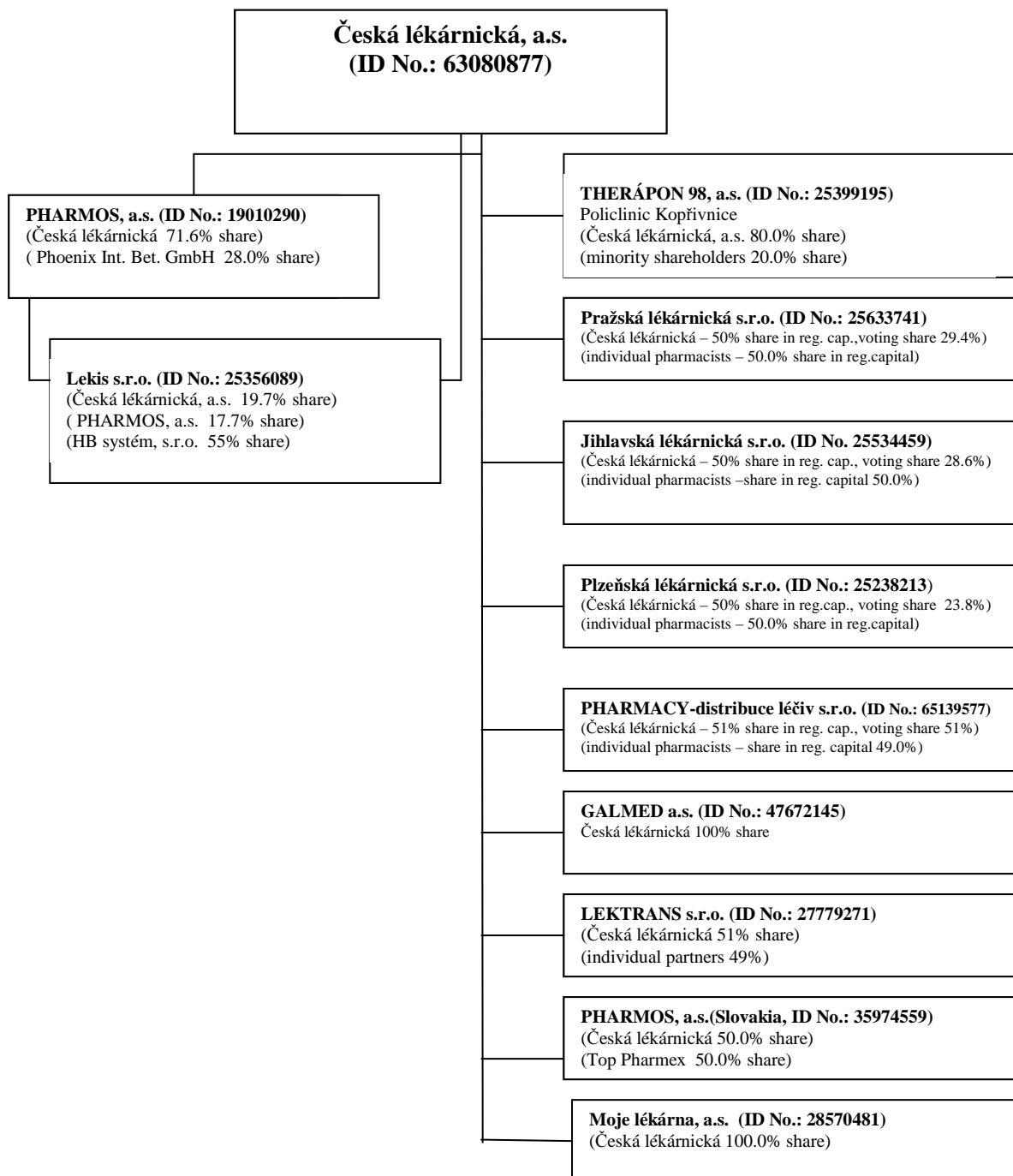
Ostrava, 18 June 2009

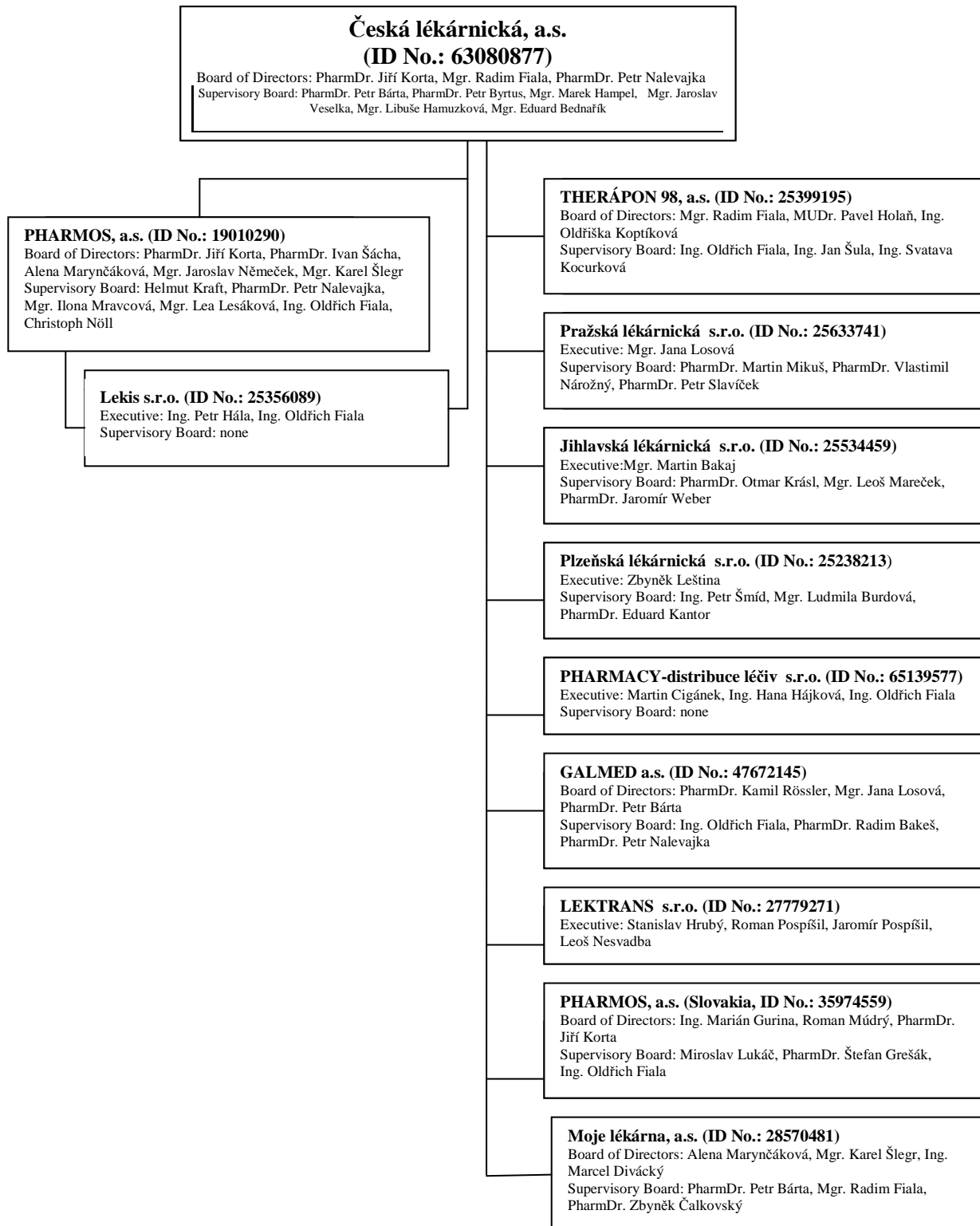
For **AUDIT PROFESIONAL, spol. s r.o.**  
Čujkovova 1736/30, 700 30 Ostrava-Zábřeh  
**Certificate KA ČR No. 64**

Signed *Vašíčková*  
L.S. **KA/ CR Audit Profesional spol. s r.o. , ref. No. 064**  
*Ing. Miluše Vašíčková*, auditor with the certificate KA ČR No. 1294  
Executive head

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## 9. Structure of links within the group





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## 10. Information about Data Ascertained after 31st December 2008

On 27.5.2009, Moje lékárna, a.s. was renamed to Sanovia, a.s.

## 11. Anticipated development of the Company

Attention of the joint stock company will be further devoted to its financial investments in individual companies and the company will carefully monitor its operating results. Attention will also be paid to seeking other feasible financial investments in the area of production and distribution of medical drugs, parapharmaceuticals, medical supplies, and dental preparations.

## 12. Activities in Research, Development and the Environment protection

Česká lékárnická, a.s. pursues no activities in research, development and protection of the environment, which is related to its existing activity as an administrator of financial investments.

Česká lékárnická, a.s. runs no organisational constituent abroad and its sole workplace is situated in the registered office.

Ostrava, 16th June 2009



PharmDr. Korta Jiří  
Chairman of the Board of Directors



PharmDr. Nalevajka Petr  
Member of the Board of Directors

## Balance Sheet 2008

Minimum binding account of information  
acc. to  
Decree No. 500/2002 Coll.

**BALANCE SHEET**  
**Unabbreviated**  
**As of 31.12.2008**

(rounded to CZK '000)

ID No.


63080877

Trade company:  
**Česká lékárnická, a.s**

Registered office:  
**Těšínská 1349/296**  
**Ostrava - Radvanice**  
**716 00**

Ident. a	ASSETS b	Current fiscal year			Previous fiscal year
		Gross 1	Correction 2	Net 3	Net 4
	<b>TOTAL ASSETS (line A.+B.+C.+D.I.)</b>	<b>556 224</b>	<b>-789</b>	<b>555 426</b>	<b>538 344</b>
B.	<b>Fixed assets (B.I. + B.II + B.III)</b>	<b>542 600</b>	<b>-798</b>	<b>541 802</b>	<b>526 363</b>
B. II.	<b>Tangible fixed assets (B.II. 1 to B.II.9)</b>	<b>13 948</b>	<b>-798</b>	<b>13 150</b>	<b>18 022</b>
B. II. 1.	Lands	5 195		5 195	9 740
2.	Structures	8 611	-707	7 904	8 191
3.	Separate movables and sets of movables	142	-91	51	91
B. III.	<b>Long-term financial asset (B.III. 1 to B.III.7.)</b>	<b>582 652</b>		<b>528 652</b>	<b>508 341</b>
B. III. 1.	Shares in managed and controlled subjects	582 652		528 652	507 449
2.	Shares in accounting entities with substantial influence				892
C.	<b>Short-term assets (C.I. to C.IV.)</b>	<b>13 623</b>		<b>13 623</b>	<b>11 981</b>
C. III.	<b>Short-term receivables (C.III.1. to C.III.9.)</b>	<b>4 334</b>		<b>4 334</b>	<b>4 636</b>
C. III. 1.	Receivables from trade relations	3 044		3 044	1 189
6.	State – taxes receivables	1 120		1 120	2 643
7.	Short-term prepayments	170		170	140
9.	Other receivables				664
C. IV.	<b>Short-term investment (C.IV.1. to C.IV.4.)</b>	<b>9 289</b>		<b>9 289</b>	<b>7 345</b>
2.	Bank accounts	9 289		9 289	7 345
D. I.	<b>Accruals and deferrals (D.I.1 to D.I.3.)</b>	<b>1</b>		<b>1</b>	
D. I. 1.	Accrued expenses	1		1	

Ident. a	LIABILITIES b	Fiscal year	
		current	previous
		5	6
	<b>TOTAL LIABILITIES (A.+B.+C.I.)</b>	<b>555 426</b>	<b>538 344</b>
<b>A.</b>	<b>Equity (A.I.+A.II.+A.III.+A.IV.+A.V.)</b>	<b>554 498</b>	<b>536 525</b>
<b>A. I.</b>	<b>Registered capital (A.I.1.+A.I.2.+A.I.3.)</b>	<b>94 156</b>	<b>94 500</b>
A. I. 1.	Registered capital	94 500	90 000
	2. Treasury stock and own business shares	-344	
	3. Variations in registered capital		4 500
<b>A. II.</b>	<b>Capital funds (A.II.1.+A.II.2.+A.II.3.+A.II.4.)</b>	<b>390 517</b>	<b>372 206</b>
A. II. 1.	Share premium	15 058	15 058
	3. Differences in valuation from revaluation of assets and liabilities	375 459	357 148
<b>A. III.</b>	<b>Reserve funds, indivisible fund and other funds from profit (A.III.1.+A.III.2.)</b>	<b>27 000</b>	<b>27 000</b>
A. III. 1.	Statutory reserve fund	22 273	22 273
	2. Statutory and other funds	4 727	4 727
<b>A. IV.</b>	<b>Profit or loss from previous years (A.IV.1.+A.IV.2.)</b>	<b>42 648</b>	<b>42 510</b>
A. IV. 1.	Retained profit from previous years	42 648	42 510
<b>A. V.</b>	<b>Profit or loss of current fiscal period (+/-)</b>	<b>177</b>	<b>309</b>
<b>B.</b>	<b>Other resources (B.I.+B.II.+B.III.+B.IV.)</b>	<b>922</b>	<b>1 819</b>
<b>B. II.</b>	<b>Long-term payables (B.II.1.to B.II.10.)</b>	<b>2</b>	<b>2</b>
10.	Deferred tax liability	2	2
<b>B. III.</b>	<b>Short-term payables (B.III.1 to B.III.11.)</b>	<b>920</b>	<b>1 817</b>
B. III. 1.	Payables from trade relations	227	880
	2. Payables to controlling entity		182
	4. Payables to partners, members of association and consortium participants	271	
	5. Account payable to employees	31	106
	6. Payables from social security and health insurance	19	74
	7. State – taxes payable and subsidies	241	185
	10. Anticipated liabilities		115
	11. Other creditors	131	275
<b>C. I.</b>	<b>Accruals and deferrals (C.I.1+C.I.2.)</b>	<b>6</b>	
C. I. 1.	Accrued expenses	6	

Compiled on: 22.5.2009	Signature of the statutory body of the accounting unit	
Compiled by (name, signature) Ožanová		
	Approved on: 25.5.2009	
Legal form of the accounting unit	Subject of enterprise	Stamp
Joint stock company	Mediation activities	
Incorporated in the Company Register by the Regional Court in Ostrava, Section B, Insert 2487		

Binding account of information presented in the Decree No. 500/200 Coll. Issued by the Ministry of Finance of the Czech Republic

**PROFIT AND LOSS STATEMENT**

Unabbreviated

As of 31.12.2008  
(rounded to CZK '000)

YEAR
2008

Trade company


Česká lékárnická, a.s.  
.....

Registered office

Těšínská 1349/296  
Ostrava - Radvanice  
716 00

Identification a	TEXT b	Figures posted during fiscal year	
		Current 1	Previous 2
II.	Performances (II.1.+II.2.+II.3.)	2 097	2 284
II. 1.	Revenue from sale of own products and services	2 097	2 284
B.	Consumption from operation (B.1.+B.2.)	1 398	516
1.	Consumables	190	59
2.	Services	1 208	457
+	Added value (I.-A.II.-B.)	699	1 768
C.	Cost of staff (C.1. to C.4.)	2 176	2 489
1.	Wages and salaries	1 611	1 844
3.	Social security and health insurance	565	645
D.	Taxes and charges	322	322
E.	Depreciation of tangible and intangible fixed assets	327	331
III.	Revenue from sale of fixed assets and materials	6 453	
F.	Net book value of fixed assets and materials sold	4 595	
F. 1.	Net book value of fixed assets sold	4 595	
IV.	Other operating income	108	61
H.	Other operating expenses	12	78
*	<b>Profit and loss account</b> (I.-A.+II.-B.-C.-E.+III.-F.-G.+IV.+H.+V.-I.)	<b>-172</b>	<b>-1 391</b>

Identification a	TEXT b	Figures posted during fiscal year	
		current 1	previous 2
VI.	Sales from securities and shares	680	
J.	Securities and shares sold	680	
VII.	<b>Income from fixed financial assets</b> (VII.1. to VII.3.)	<b>420</b>	<b>1 688</b>
VII. 1.	Return on shares in controlled entities and acc. units acting under substantial influence	420	1 688
X.	Interest receivable	3	1
XI.	Other financial income	5	150
O.	Other financial expenses	79	169
*	<b>Financial profit and loss</b>	<b>349</b>	<b>1 670</b>
Q.	Income tax on ordinary activities (Q.1.+Q.2.)		-30
Q. 1.	- due		-26
2.	- deferred		-4
**	<b>Profit and loss from ordinary activities</b>	<b>177</b>	<b>309</b>
***	<b>Profit and loss of current year (+/-)</b>	<b>177</b>	<b>309</b>
****	<b>Profit and loss before tax</b>	<b>177</b>	<b>279</b>

Compiled on: 22.5.2009 Compiled by (name, signature) Ožanová	Signature of the statutory body of the accounting unit 	
Legal form of the accounting unit Joint stock company	Approved on: 25.5.2009 Subject of enterprise Mediation activities	Stamp
Incorporated in the Company Register kept by the Regional Court in Ostrava, Section B, Insert 2487		



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## Notes to Financial Statement of Česká lékárnická, a.s. as of 31st December 2008

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The Notes are issued in accordance with the Ministry of Finance Decree 500/2002 Coll. of 6<sup>th</sup> November 2002. The data in the Notes are based on the bookkeeping papers of the accounting unit (accounting documents, book and other papers) and on other data available to the accounting unit. The values are expressed in thousands of CZK unless stated otherwise.

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## General data

### 1. Description of accounting unit

Trade name: **Česká lékárnická, a.s.**

Registered office: Těšínská 1349/296, Ostrava-Radvanice, Postcode: 716 00

Legal form: Joint-stock company

ID No.: 63080877

VAT No.: CZ63080877

Subject of enterprise:

- Purchase of goods for sale and resale
- Mediation activities in trade and services,
- Consultancy in trade and services,
- Organisation of cultural and community events

Establishment of company:

The company was established on 15th August 1995 upon its incorporation in the Company Register

Registered capital :

Total volume: CZK 94,500,000 (100% paid up)

On 25th January 2008, an increase by CZK 4 500 000 to CZK 94 500 000 in the registered capital was entered in the Company Register.

Shares:

18,900 registered shares at a nominal value of CZK 5,000

Physical form of shares

The increase of the registered capital is performed by subscription for 900 shares at a nominal value of CZK 5,000. Total number of company shares is 18 900.

The company is incorporated in the Company Register kept by the Regional Court in Ostrava, Section B, Insert 2487

Persons participating in the registered capital of the accounting unit more than 20%:

Only the shareholders – natural persons, whose equity share does not exceed 10% of the registered capital, participate in the company's registered capital

BALANCE SHEET DATE 31.12.2008

DATE OF FINANCIAL STATEMENT 22.5.2009

INFORMATION CONCERNING IMPLEMENTED OR FORESEEN TRANSFORMATION OF THE COMPANY

The accounting unit does not plan any transformation of the company.

INFORMATION CONCERNING THE CHANGES IMPLEMENTED IN FISCAL YEAR

The accounting unit does not plan any transformation to business year

Changes and amendments executed in the Company Register during the fiscal year:

Type of change (amendment)	Date of change (amendment)
Changes in Board of Directors: - Chairman of the Board Deleted: Pavel Vítek Entered : PharmDr. Jiří Korta – Chairman - Board members Deleted: PharmDr. Jiří Korta-member Ing. Roman Kejzlar Ing. Oldřich Fiala Entered : Ing. René Butkov, Ph.D. PharmDr. Jiří Korta Deleted: Ing. René Butkov, Ph.D. Entered : Mgr. Radim Fiala PharmDr. Petr Nalevajka	Date of expiry 14.12.2007, deleted in the Company Register 1.2.2008 Date of initiation 14.12.2007, entered in the Company Register 1.2.2008  Deleted in the Company Register 1.2.2008, Deleted in the Company Register 16.8.2007, date of expiry 19.6.2007 Deleted in the Company Register 8.12.2008, date of expiry 7.10.2008 Date of initiation 14.12.2007, entered in the Company Register 1.2.2008 Date of initiation 19.6.2007, entered in the Company Register 16.8.2007 Deleted in Company Register 8.12.2008, date of expiry 7.10.2008 Date of initiation 7.10.2008, entered in the Company Register 8.12.2008 Date of initiation 7.10.2008, entered in the Company Register 8.12.2008
Changes in Supervisory Board: Mgr. Hamuzková Libuše Mgr. Eduard Bednařík	Date of membership initiation 27.6.2008, entered in the Company Register 4.9.2008 Date of membership initiation 27.6.2008, entered in the Company Register 4.9.2008

Organizational structure of the accounting unit and its fundamental changes in previous accounting year:

There were no significant changes to the organizational structure as compared to the situation as of 31.12.2007

#### Members of statutory and supervisory bodies as of balance of accounts:

Function	Surname	Name	Title	Note
Chairman of the Board of Directors	Korta	Jiří	PharmDr.	
Member of the Board of Directors	Fiala	Radim	Mgr.	
Member of the Board of Directors	Nalevajka	Petr	PharmDr.	
Member of the Supervisory Board	Bárta	Petr	PharmDr.	
Member of the Supervisory Board	Byrtus	Petr	PharmDr.	
Member of the Supervisory Board	Hampel	Marek	Mgr.	
Member of the Supervisory Board	Veselka	Jaroslav	Mgr.	
Member of the Supervisory Board	Hamuzková	Libuše	Mgr.	
Member of the Supervisory Board	Bednařík	Eduard	Mgr.	

## 2. Property or contractual interests of the accounting unit in other companies

### Ownership interests exceeding 20%

Company name	Registered office	Cost of acquiring share	Equity capital of company	Profit or loss after taxation
GALMED a.s.	Těšínská 1349/296 Ostrava-Radvanice Postcode: 716 00, ČR	15 000 (i.e. 100.00 %)	18 305	1 011
PHARMOS, a.s.	Těšínská 1349/296 Ostrava-Radvanice Postcode: 716 00, ČR	98 332 (i.e. 71.55 %)	576 858	11 739
Pražská lékárnická s.r.o.	Theodor Pchery, Postcode:27308 , ČR	2 300 (i.e. 50.00 %)	13 055	3 611
Jihlavská lékárnická s.r.o.	Pávosvá Jihlava-Bedřichov, Postcode:58901 , ČR	1 250 (i.e. 50.00 %)	10 647	-938
Plzeňská lékárnická s.r.o.	Domažlická Plzeň, Postcode:31800 , ČR	1 700 (i.e. 50.00 %)	- 2 434	-10 112
THERÁPON 98, a.s.	Štefánikova 1301 Kopřivnice Postcode 742 21, ČR	22 444 (i.e. 80 %)	81 300	10 737
LEKTRANS s.r. o.	Těšínská 1349/296	102 ( i.e. 51%)	506	1 240

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**Česká lékárnická, a.s., se sídlem Těšínská 1349/296, 716 00 Ostrava-Radvanice, IČO: 63080877**

Společnost zapsána v obchodním rejstříku vedeném Krajským soudem v Ostravě, oddíl B, vložka 2487  
tel: +420-597575211, Fax: +420-597575261, e-mail: [info@pharmos.cz](mailto:info@pharmos.cz)

	Ostrava-Radvanice Postcode: 716 00, ČR			
PHARMOS a.s.	Odbojárov 340/29 Topolčany Postcode 955 01, SK	3 993 SKK (i.e. 50%)	6 600	2 740
PHARMACY – distribuce léčiv, s.r.o.	1.máj Šternberk Postcode:78501, ČR	5 850 ( i.e. 51.00 %)	29 719	3 319
Moje lékárna a.s.	Těšínská 1349/296 Ostrava – Radvanice Postcode:716 00, ČR	2 000 (i.e. 100%)	Not available	Not available

Agreements among partners (shareholders) establishing the right of decision-making:  
Agreements of similar character are not concluded.

### 3. Company employees, cost of staff

Item	Employees total			Of this: members of management		
	2008	2007	2006	2008	2007	2006
Average headcount	3	3	3	3	3	3
Wages and salaries	1 611	1 844	1 532	1 611	1 844	1 532
Social security expenses	565	645	536	565	645	536
Social benefits	0	0	0	0	0	0
Cost of staff, total	2 176	2 489	2 068	2 176	2 489	2 068
<b>Remuneration to members of statutory and supervisory bodies</b>		<b>2008</b>	<b>2007</b>	<b>2006</b>		
Remuneration to members of statutory bodies						
Remuneration to members of supervisory bodies		171	222			
Total		171	222			

### 4. Compensations or other benefits

Type of benefit	Amount of monetary and non-monetary benefits for current members of								
	Statutory bodies			Managing bodies			Supervisory bodies		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Loans of credits	-	-	-	-	-	-	-	-	-
Securities provided	-	-	-	-	-	-	-	-	-
Retirement income insurance	-	-	-	-	-	-	-	-	-
Free use of car	-	-	-	-	-	-	-	-	-
Director's fees	-	-	-	-	-	-	171	222	-
Total	-	-	-	-	-	-	-	-	-
Type of benefit	Amount of monetary and non-monetary benefits for former members of								
	Statutory bodies			Managing bodies			Supervisory bodies		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Loans and credits	-	-	-	-	-	-	-	-	-
Securities provided	-	-	-	-	-	-	-	-	-
Retirement income insurance	-	-	-	-	-	-	-	-	-
Free use of car	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Members of the Board of Directors are in employment relationship with the joint-stock company Česká lékárnická according to the articles of association.

## Applied accounting methods, general accounting principles and methods of evaluation

The presented Financial Statement was processed in accordance with Act 563/1991 Coll., concerning accountancy, and Notice by the Czech Ministry of Finance No. 500/2002 Coll. And the Czech Accounting Standards.

### 1. Method of asset evaluation

#### 1.1. Stock

- The accounting unit does not register any stock in the given accounting year.

#### 1.2. Evaluation of tangible and intangible fixed assets

Tangible and intangible fixed assets are evaluated on the basis of the acquisition prices for which such assets were acquired (price of acquisition) and expenses related to the acquisition (secondary acquisition costs).

#### 1.3. Evaluation of securities and ownership interests (III.2.1.c)

During the fiscal year concerned, there was no change in evaluation of shares in individual companies, the method of equivalence was used for the first time in the statement of balances for 2006.

#### Revaluation of shares 2008

Company name	Share in registered capital in CZK in 2007	Acquisition price of share	Amount of share in equity in 2008 in CZK '000	Revaluation of share in CZK in 2008
GALMED a.s.	17 294 000	15 000 (i.e. 100.00 %)	18 305	+1 011 000
PHARMOS, a.s.	404 343 360	98 332 (i.e. 71.55 %)	412 742	+ 8 398 539
Pražská lékárnická s.r.o.	5 739 500	2 300 (i.e. 50.00 %)	6 528	+ 788 000
Jihlavská lékárnická s.r.o.	4 640 000	1 250 (i.e. 50.00 %)	5 324	+ 683 500
Plzeňská lékárnická s.r.o.	3 843 000	1 700 (i.e. 50.00 %)	0	- 3 843 000
THERAPON 98, a.s.	56 690 400	22 444 (i.e.80 %)	65 040	+ 8 349 600
LEKTRANS s.r.o.	0	102 (i.e. 51%)	258	+ 258 060
PHARMOS a.s. with registered office in Topolčany	1 313 976	3 993 (i.e. 50%)	3 300	+1 985 823
PHARMACY – distribuce léčiv, s.r.o.	13 584 870	5 850 (i.e. 51.00 %)	15 157	+ 1 571 820
Lekis s.r.o.	892 213	205 (i.e.19.7%)	0	- 892 213
Moje lékárna a.s.	0	2 000 (i.e. 100.0%)	2 000	0
<b>TOTAL</b>	<b>508 341 319</b>		<b>528 654</b>	<b>+18 311 129</b>

#### 2. Determination of reproduction acquisition price

The determination of reproduction acquisition prices was not used during the current fiscal year or during previous fiscal years.

#### 3. Changes in evaluation, depreciation and accounting procedures

There were no changes in this regard in 2008.

#### 4. Adjustments to assets

Adjustments to:	Balance as of 1.1.			Creation			Accounting			Balance as of 31. 12.		
	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
Tangible and intangible fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Stock	-	-	-	-	-	-	-	-	-	-	-	-
Long-term financial investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables-statutory	-	-	-	-	-	-	-	-	-	-	-	-
Receivables-other	-	-	-	-	-	-	-	-	-	-	-	-

#### 5. Depreciations

The depreciation plan concerning tangible fixed assets was defined by the accounting unit in its internal directives, based on assumed wear and tear of the registered property corresponding to the standard conditions of its use.

The depreciation plan concerning intangible fixed assets was defined with respect to the period during which such assets were used.

The depreciation plans are compiled for each individual property. The accounting depreciations are defined as an even percentage during the entire service life of such tangible and intangible fixed asset. Tax depreciations of tangible fixed assets are determined according to the pertinent provisions of the Income Tax Act, as linear (i.e. equal) except for computer technology where tax depreciations are determined as accelerated. As regards tangible fixed assets, the tax and accounting depreciations are equal.

Depreciation system of petty intangible and tangible fixed assets

Petty tangible fixed assets are reported at a separate analytical account 022028 – Petty tangible fixed assets. Tangible fixed assets can be classified as petty on condition that they do not fulfil the conditions for being classified as tangible fixed assets and this concerns office furniture (without limitation of the acquisition price lower limit), office equipment and machinery with the acquisition price exceeding the amount of CZK 3,000 excl. VAT and the service life exceeding 1 year, other separate assets with the acquisition price exceeding the amount of CZK 5,000 excl. VAT and the service life exceeding 1 year, or assets classified in listed categories according to internal directives.

Tangible assets falling outside the conditions above are reported as company's expenses at account 501 – Consumption of material.

Petty intangible fixed assets are reported at a separate analytical account 013018 – Petty intangible fixed assets. Intangible fixed assets can be classified as petty on condition that they do not fulfil the conditions for being classified as fixed assets and this concerns intangible assets with the acquisition price exceeding the amount of CZK 10,000 excl. VAT.

Intangible assets falling outside the conditions above are reported as company's expenses at account 518 –Other services.

#### 6. Conversion of foreign currency to Czech currency

In conversion of foreign currencies to the Czech currency, the company makes use of:

- Current daily exchange rate announced by the Czech National Bank (the relevant daily exchange rates are valid for the entire following business day).
- As of the balance sheet date, receivables, cash and liabilities in a foreign currency were calculated using the CNB exchange rate valid as of the balance sheet date.

#### 7. Determination of deferred tax

In 2008, the deferred tax was reported from the current difference between accounting and tax depreciated prices which is CZK 10 thousand as to tangible fixed assets.

Deferred tax balances:

Deferred tax – liability as of 31 December 2006	CZK 6,000
Deferred tax – liability as of 31 December 2007	CZK 2,000
Deferred tax – liability as of 31 December 2008	CZK 2.000

## Supplementary data to the Balance Sheet and Profit and Loss Statement

### 1. Items critical for the assessment of the property and financial situation of the company

#### 1.1. Back income tax for previous fiscal years

No back income tax for the previous fiscal years posted.

#### 1.2. Long-term bank loans

The company has no long-term bank loans.

#### 1.3. Breakdown of subsidies accepted for investment and operating purposes

Reason for subsidy	Provider	2008	2007	2006
No subsidies for investment or operating purposes accepted	-	-	-	-
TOTAL	-	-	-	-

### 2. Important events following the Financial Statement date

No important events having an influence on the Financial Statement occurred after the 2008 Financial Statement date.

### 3. Supplementary information about tangible and intangible fixed assets

#### 3.1. Main categories of tangible fixed assets (DHM) (IV.3.1.a)

Category	Acquisition price			Allowances			Net book value			Increase (acquisition price)	Decrease (Net book value, depreciations)
	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2008
Lands	5195	9 740	8 887	-	-	-	5195	9 740	8 887		4545
Buildings, halls, structures	8 611	8 611	8 611	707	420	133	7 904	8 191	8 478		287
Separate effects and sets of effects	142	157	157	91	65	22	51	92	135		41
-Machinery, devices, equipment	60	60	60	50	30	10	10	30	50		20
-Inventory	82	82	82	41	24	8	41	58	74		17
-Petty tangible fixed assets	-	15	15	-	11	4	-	4	11		4
	-	-	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-		

The company sold the lands in Hradec Králové and Nitra with a total acquisition price of CZK 4,545,000.

#### 3.2. Intangible fixed assets (DNM) (IV.3.1.b)

The company does not own any intangible fixed assets.

#### 3.3. Tangible fixed assets acquired by financial lease (IV.3.1.c)

No property was acquired in the form of financial lease

#### 3.4. Tangible fixed assets acquired in the form of operative lease

No operative lease is used.

#### 3.5. Total amount of off-balance assets (IV.3.1.e)

All of the company assets are reported in the balance sheet.

### 3.6. Breakdown of tangible fixed assets subject to right of lien (IV.3.1.f)

There are no assets subject to right of lien.

### 3.7. Summary of assets with significant differences between market and book values (IV.3.1.g)

There are no assets with significant differences between market and book values.

### 3.8. Long-term investments – equity securities and ownership interests (IV.3.1.h)

Summary of equity securities and ownership interests in and outside the Czech Republic (decisive and substantial shares).

Trade name	Registered office	Acquisition price	Year 2006		Dividends	Profit/Loss of current year
			Share (%)	Nominal value		
PHARMOS, a.s.	Ostrava, ČR	98 332	71.55 %	50	6132	37.941
Lekis s.r.o.	Ostrava, ČR	205	19.7 %	61 320	-	703
GALMED a.s.	Ostrava, ČR	15 000	100.0 %	12 000	-	974
Pražská lékárnická s.r.o.	Pchery, ČR	2 300	50.0 %	2 300	697	2.526
Jihlavská lékárnická, s.r.o.	Jihlava, ČR	1 250	50.0 %	1 250	530	2.032
Plzeňská lékárnická, s.r.o.	Plzeň, ČR	1 700	50.0 %	1 700	-	1.755
Pharmacy-distribuce léčiv, s.r.o.	Šternberk, ČR	5 850	51.0%	561	-	10.645
THERÁPON, a.s.	Kopřivnice	22 444	80%	21 416	-	9.418
LEKTRANS s.r.o.	Ostrava	102	51.0%	102	-	-19
PHARMOS a.s.	Topolčany	3 993	50.0%	2 097	-	-3.792
Total					7 359	

Trade name	Registered office	Acquisition price	Share (%)	Previous year – 2007		Dividends	Profit/Loss of current year
				Revaluation of shares – by equivalence m.			
PHARMOS, a.s.	Ostrava, ČR	98 332	71.55 %	404 435	704	13 913	
Lekis s.r.o.	Ostrava, ČR	205	19.7 %	892		- 572	
GALMED a.s.	Ostrava, ČR	15 000	100.0 %	17 294		-28	
Pražská lékárnická s.r.o.	Pchery, ČR	2 300	50.0 %	5740		1201	
Jihlavská lékárnická, s.r.o.	Jihlava, ČR	1 250	50.0 %	4640	270	351	
Plzeňská lékárnická, s.r.o.	Plzeň, ČR	1 700	50.0 %	3843		-1635	
Pharmacy-distribuce léčiv, s.r.o.	Šternberk, ČR	5 850	51.0%	13 585	714	4417	
THERÁPON, a.s.	Kopřivnice	22 444	80%	56 690		11296	
LEKTRANS s.r.o.	Ostrava	204	51.0%	0		Not available	
PHARMOS a.s.	Topolčany	3 993	50.0%	1314		- 1531	
Total					1 688		

Trade name	Registered office	Acquisition price	Share (%)	Current year – 2008		Dividends	Profit/Loss Of current year
				Revaluation of shares – by equivalence m.			
PHARMOS, a.s.	Ostrava, ČR	98 332	71.55 %	412.742		11739	
Lekis s.r.o.	Ostrava, ČR	205	19.7 %	0		-6607	
GALMED a.s.	Ostrava, ČR	15 000	100.0 %	18.305		1011	
Pražská lékárnická s.r.o.	Pchery, ČR	2.300	50.0 %	6.528	340	3611	
Jihlavská lékárnická, s.r.o.	Jihlava, ČR	1 250	50.0 %	5.324	80	-938	
Plzeňská lékárnická, s.r.o.	Plzeň, ČR	1 700	50.0 %	0		-10112	
Pharmacy-distribuce léčiv, s.r.o.	Šternberk, ČR	5 850	51.0%	15.157		3319	
THERÁPON, a.s.	Kopřivnice	22 444	80%	65.040		10737	
LEKTRANS s.r.o.	Ostrava	102	51.0%	258		1240	
PHARMOS a.s.	Topolčany	3 993	50.0%	3.300		2740	
Moje lékárna a.s.	Ostrava	2 000	100.0%	2.000		Not available	
Total					420		



A deposit amounting to CZK 2 million was given to Moje lékárna a. s. and this company is 100% owned (400 shares at a nominal value of CZK 5000). The company bought and sold the share in Zenagel a. s. at a price of CZK 680 000 on condition of buy back.

## 4. Equity

### 4.1. Increase and decrease in equity (IV.3.3.a,b)

	As of 31 Dec 2008	As of 31 Dec 2007	As of 31 Dec 2006
Registered capital	94 500	90 000	90 000
Changes in registered capital – not entered in Company Register		4.500	
Statutory reserve fund	22 273	22 273	22 273
Share premium	15 058	15 058	12 808
Statutory and other funds	4 727	4 727	4 727
Differences from revaluation of assets	375 459	347 148	340 069
Retained profit of prior years	42 648	42 510	28 643
Unsettled loss of previous years			
Profit/Loss of current year	+177	+309	14 089
Equity capital, total	554 498	536 525	512 609

Division of profit generated in previous year:

Based on the decision of the Shareholder's Meeting, the profit generated in 2007 was distributed as follows:

Allocation to royalties for statutory and supervisory bodies	CZK 171 000
Transfer to retained profit from previous years	CZK 138 000

Proposal for the distribution of profit generated during current year will be presented by the Board of Directors for approval during Shareholder's Meeting.

### 4.2. Registered capital (IV.3.3.c)

#### Year 2006

Type of shares	Number of shares	Nominal value	Outstanding shares	Maturity period
Registered shares	18 000	CZK 5 000	-	-
Registered shares			-	-
Bearer shares			-	-

#### Previous year – 2007

Type of shares	Number of shares	Nominal value	Outstanding shares	Maturity period
Registered shares	18 000	CZK 5 000	-	-
Registered shares			-	-
Bearer shares			-	-

#### Current year – 2008

Type of shares	Number of shares	Nominal value	Outstanding shares	Maturity period
Registered shares	18 900	CZK 5 000	-	-
Registered shares			-	-
Bearer shares			-	-

## 5. Receivables and liabilities

### 5.1. Overdue receivables (IV.3.2.a)

Number of days	As of 31 Dec 2008		As of 31 Dec 2007		As of 31 Dec 2006	
	Trade debtors	Other debtors	Trade debtors	Other debtors	Trade debtors	Other debtors
Less than 30	162	-	-	-	-	-
30 - 60	4	-	-	-	-	-
60 - 90	4	-	44	-	-	-
90 - 180	510	-	-	-	-	-
180 and more	1	-	-	-	-	-

## 5.2. Overdue liabilities (IV.3.4.a)

Number of days	As of 31 Dec 2008		As of 31 Dec 2007		As of 31 Dec 2006	
	Trade creditors	Other creditors	Trade creditors	Other creditors	Trade creditors	Other creditors
Less than 30	-	-	2	-	21	-
30 - 60	-	-	156	-	-	-
60 - 90	-	-	13	-	-	-
90 - 180	-	-	500	-	-	-
180 and more	164	-	217	-	-	-

## 5.3. Receivables and liabilities with regard to group members (IV.3.4.b)

Debtor	Receivables from consortium members					
	As of 31 Dec 2008		As of 31 Dec 2007		As of 31 Dec 2006	
	Total	Overdue	Total	Overdue	Total	Overdue
Plzeňská lékárnická s.r.o. (ID No.:25238213)	-	-	-	-	-	-
PHARMOS,a.s. (ID No.:19010290)	710	635	45	-	1 142	-
Pražská lékárnická s.r.o. (ID No.: 25633741)	-	-	40	-	-	-
Jihlavská lékárnická s.r.o. (ID No.: 25534459)	-	-	-	-	-	-
Lekis s.r.o. (ID No.: 25356089)	-	-	-	-	-	-
PHARMACY-distribuce léčiv s.r.o.(ID No.: 65139577)	812	-	1088	-	-	-
THERÁPON 98, a.s. (ID No.: 25399195)	-	-	-	-	-	-
GALMED a.s. (ID No.: 47672145)	-	-	25	-	65	-
LEKTRANS s.r.o. (ID No.: 27779271)	-	-	1	-	168	-
Moje lékárna a.s. (ID No.: 28570481)	1.467	-	-	-	-	-
PHARMOS a.s. SK	53	53	-	-	-	-

Creditor	Liabilities to consortium members					
	As of 31 Dec 2008		As of 31 Dec 2007		As of 31 Dec 2006	
	Total	Overdue	Total	Overdue	Total	Overdue
Plzeňská lékárnická s.r.o. (ID No.:25238213)	-	-	-	-	-	-
PHARMOS, a.s. (ID No.: 19010290)	-	-	1	-	5	-
Pražská lékárnická s.r.o. (ID No.: 25633741)	-	-	-	-	-	-
Jihlavská lékárnická s.r.o. (ID No.: 25534459)	-	-	-	-	-	-
Lekis s.r.o. (ID No.: 25356089)	-	-	-	-	-	-
PHARMACY-distribuce léčiv s.r.o.(ID No.: 65139577)	-	-	-	-	-	-
THERÁPON 98, a.s. (ID No.: 25399195)	-	-	-	-	-	-
GALMED a.s. (ID No.: 47672145)	-	-	-	-	-	-
LEKTRANS s.r.o. (ID No.: 27779271)	-	-	-	-	-	-
Phamos a.s. Topolčany	-	-	444	-	-	-

## 5.4. Receivables and liabilities based on application of right of lien and security (IV.3.2.c, 3.4.c)

The company has no receivables and liabilities based on application of right of lien and security

## 5.5. Liabilities not included in books and Balance Sheet (IV.3.4.d)

(guarantees assumed for another enterprise on the basis of a bank loan, letter of credit or law of exchange unless an accounting reserve has been created)

Česká lékárnická, a.s. has assumed guarantees for operation credits of the following subsidiaries : PHARMACY-distribuce léčiv s.r.o, Plzeňská lékárnická s.r.o. , Jihlavská lékárnická s.r.o. and PHARMOS a.s.

## 5.6. Accruing of important groups of other receivables

RECEIVABLES WITH TERM OF PAYMENT EXCEEDING FIVE YEARS

None registered

LIABILITIES WITH TERM OF PAYMENT EXCEEDING FIVE YEARS

None registered

## 5.7. Liabilities to state authorities

### AMOUNTS PAYABLE ON SOCIAL INSURANCE

- No payable overdue liabilities

### AMOUNTS PAYABLE ON PUBLIC HEALTH INSURANCE

- No payable overdue liabilities

### TAX ARREARS TOWARDS REVENUE AUTHORITIES

- No tax arrears

### LEGAL ENTITY INCOME TAX

- Based on preliminary calculation of legal entity income tax, no tax liability accrued in this regard.

### Important potential losses not covered by reserves to be created in accounting

- No losses known

## 6. Reserves

Description of reserve	Previous year - 2006			Previous year - 2007			Current year - 2008			
	Balance as of 1.1.	Addition	Withdrawal	Balance as of 31.12.	Addition	Withdrawal	Balance as of 31.12.	Addition	Withdrawal	Balance as of 31.12.
<b>Lawful reserves</b>	-	-	-	-	-	-	-	-	-	-
-Reserve on repairs	-	-	-	-	-	-	-	-	-	-
-Other reserves	-	-	-	-	-	-	-	-	-	-
-Reserve on exchange rate loss	-	-	-	-	-	-	-	-	-	-
-Reserve on audit	-	100	-	-	-	-	-	-	-	-

## 7. Revenues from current activities


	Current year - 2008	Previous year - 2007	Previous year - 2006
Revenues from services	2096	2 284	13 138
Revenues from sale of property	6454	1 688	7 712
Revenues from profit sharing	420		
Other operating revenues	90	211	
<b>Total</b>	<b>9 060</b>	<b>4 183</b>	<b>20 850</b>

## 8. Expenses spent during fiscal year on research and development

Current year - 2008		Previous year - 2007		Previous year - 2006	
Research activity	Expenses	Research activity	Expenses	Research activity	Expenses
No spending	-	No spending	-	No spending	-
-	-	-	-	-	-

## 9. Auditor's remuneration

Aggregate amount of auditor's remuneration for 2008 is CZK 60 000.

Compiled on: 22 May 2009	Compiled by:	Signature of a statutory representative:
Approved on: 25 May 2009	Ožanová Martina	

Binding account of information acc. to  
the ČR Ministry of Finance No. 500/2002 Coll.

## Report of Changes in Equity

k as of 31<sup>st</sup>  
December 2008  
(rounded to CZK '000)

ID No.: 63080877

Trade company

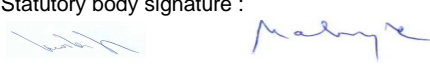
Česká lékárnická, a.s.

Registered office

Těšínská 1349/296,  
Ostrava -  
Radvanice  
716 00

	Registered capital	Other capital funds	Changes in registered capital	Reserve fund	Other funds	VH <sub>MO</sub>	VH <sub>BO</sub>	VK total
01	02	03	04	05		06	07	08
<b>Opening balance as of 1st January 2007</b>	<b>90 000</b>	<b>352 877</b>	<b>0</b>	<b>22 273</b>	<b>4 727</b>	<b>28 643</b>	<b>14 089</b>	<b>512 609</b>
Subscription of registered capital increase			4 500					4 500
Allocation to statutory and other funds		2 250						2 250
Allocation to reserve fund from profit		17 079						17 079
Allocation for dividend payment							0	0
Allocation for royalty payment							-222	-222
Allocation to retained profit from previous years						13 867	-13 867	0
Profit/loss of current year							309	309
<b>Closing balance as of 31.12.2007</b>	<b>90 000</b>	<b>372 206</b>	<b>4 500</b>	<b>22 273</b>	<b>4 727</b>	<b>42 510</b>	<b>309</b>	<b>536 525</b>

<b>Opening balance as of 1st January 2008</b>	<b>90 000</b>	<b>372 206</b>	<b>4 500</b>	<b>22 273</b>	<b>4 727</b>	<b>42 510</b>	<b>309</b>	<b>536 525</b>
Subscription of registered capital increase	4 500		-4 500					0
Purchase of own shares	-344							-344
Evaluation differences from revaluation of assets		18 311						18 311
Allocation to reserve fund from 2006 profit								0
Allocation for dividend payment								0
Allocation for royalty payment							-171	-171
Allocation to retained profit from previous years						138	-138	
Profit/loss of current year							177	177
Difference from rounding								
<b>Closing balance as of 31.12.2008</b>	<b>94 156</b>	<b>390 517</b>	<b>0</b>	<b>22 273</b>	<b>4 727</b>	<b>42 648</b>	<b>177</b>	<b>554 498</b>

Legal form of accounting unit: joint-stock company	Compiled by: Ožanová Martina (name, signature)	Compiled on: 22.5.2009
Subject of enterprise: Mediation activity	Statutory body signature :  (name, signature)	Approved on: 25.5.2009
Incorporated in the company Register kept by the Regional Court in Ostrava, Section B, Insert 2487		

## Cash Flow Statement

(cash-flow) (indirect method)

As of

31<sup>st</sup> December 2008

(rounded to CZK '000)

YEAR	Month		ID No.							
2008	1	2	6	3	0	8	0	8	7	7

Trade name or other name of accounting unit

**Česká lékárnická, a.s.**

Registered office or domicile of accounting unit and place of business if differs from domicile

**Těšínská 1349/196**

**Ostrava - Radvanice**

716 00

Identification a	T E X T b	Line No. c	Figures posted during fiscal year	
			current 1	previous 2
<b>P</b>	<b>Cash and cash equivalents at the beginning of accounting period</b>	<b>01</b>	<b>7 345</b>	<b>674</b>
	<b>Cash flows from ordinary activities (operations)</b>	<b>02</b>		
Z	Profit/loss from ordinary activities before taxation	03	177	277
<b>A. 1.</b>	<b>Adjustments for non-monetary operations</b>	<b>04</b>	<b>-1 955</b>	<b>-1 358</b>
A. 1. 1.	Depreciation of fixed assets (+) excluding book value of fixed assets sold, amortization of adjustments to acquired assets (+/-)	05	327	331
A. 1. 2.	Changes in adjusting entries and reserves	06		
A. 1. 3.	Profit (loss) from the sale of fixed assets (-/+)	07	-1 859	
A. 1. 4.	Revenue from dividend and share of profit (-)	08	-420	-1 688
A. 1. 5.	Posted interest expense (+) excluding capitalised interest and interest income (-)	09	-3	-1
A. 1. 6.	Adjustments for other non-monetary operations	10		
<b>A *</b>	<b>Net cash flow from operating activities before tax, movements in working capital and extraordinary items</b>	<b>11</b>	<b>-1 778</b>	<b>-1 081</b>
<b>A. II.</b>	<b>Change in non-monetary elements of working capital</b>	<b>12</b>	<b>535</b>	<b>-8 885</b>
A. II. 1.	Change in receivables from operating activities (+/-), active accounts of temporary and anticipated assets	13	1 422	-6 236
A. II. 2.	Change in payables from operating activities (+/-), temporary and anticipated liabilities	14	-887	-2 649
A. II. 3.	Variation in stock (+/-)	15		
A. II. 4.	Change in short-term investments not falling under cash and cash equivalents	16		
<b>A. **</b>	<b>Net cash flow from operating activity before tax and extraordinary items</b>	<b>17</b>	<b>-1 243</b>	<b>-9 966</b>
A. III.	Interests paid except for capitalised interests (-)	19		
A. IV.	Interests received (+)	19	3	1
A. V.	Income tax paid except for operating activities, additional tax paid for previous years (-)	20	1 523	-2 779
A. VI.	Receipts and expenditures connected with extraordinary cases comprising extraordinary income from operations, including tax due on the income from extraordinary operations paid	21		
A. VII.	Received dividends and shares in profit (+)	22	420	1 688
<b>A. ***</b>	<b>Net cash flow from operating activity before tax and extraordinary items</b>	<b>23</b>	<b>703</b>	<b>-11 056</b>
	<b>Cash flow from financial activities</b>	<b>24</b>		
B. I.	Expenditures related to acquisition of fixed assets	25	-5 889	17 949
B. II.	Receipts from fixed assets sold	26	7 134	
B. III.	Loans and credits for related persons	27		
<b>B. ***</b>	<b>Net cash flow related to investment activity</b>	<b>28</b>	<b>1 245</b>	<b>17 949</b>
	<b>Cash flows from financial activities</b>	<b>29</b>		
C. I.	Change in long-term liabilities or short-term liabilities falling in the area of financial activities to cash and cash equivalents	30		
<b>C. II.</b>	<b>Impact of variation in equity on cash and cash equivalents</b>	<b>31</b>	<b>-4</b>	<b>-222</b>
C. II. 1.	Increase of cash or cash equivalents due to change in registered capital, share premium or reserve fund, including prepayments made for this increase (+)	32		
C. II. 2.	Payment of share in equity to associates (-)	33		
C. II. 3.	Other monetary deposits by partners and shareholders	34		
C. II. 4.	Settlement if loss by partners (+)	35		
C. II. 5.	Direct payments to the debit of funds (-)	36		
C. II. 6.	Dividends or shares in profits, royalties, including withdrawal of tax relating to such claims	37	-4	-222
<b>C. ***</b>	<b>Net cash flow related to financial activity</b>	<b>38</b>	<b>-4</b>	<b>-222</b>
<b>F.</b>	<b>Net increase or decrease of cash and cash equivalents</b>	<b>39</b>	<b>1 944</b>	<b>6 671</b>
<b>R.</b>	<b>Cash and cash equivalents at the end of the accounting period</b>	<b>40</b>	<b>9 289</b>	<b>7 345</b>

Compiled on: 22.5.2009 Approved on: 25.5.2009

Signature of the statutory body of the accounting unit or signature of the natural person who is an accountant

Legal form of accounting unit	Subject of enterprise	Stamp
Joint-stock company	Mediation activities	
Incorporated in the Company Register kept by the Regional Court in Ostrava, Section C, Insert 2487		