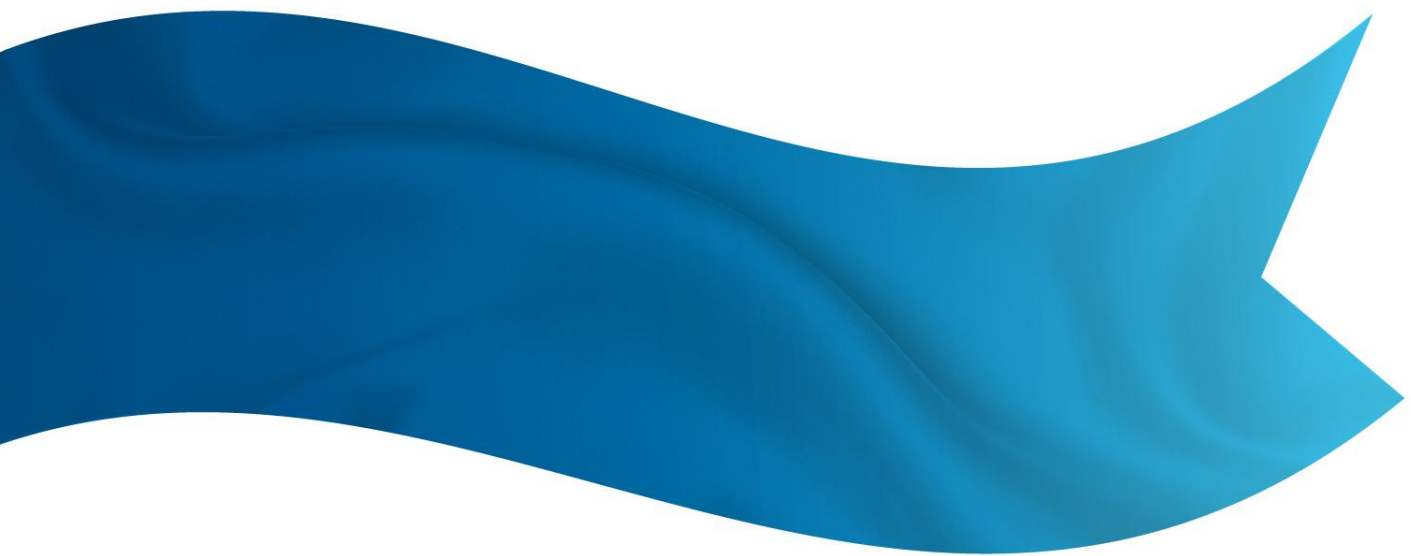


# SANITAS GROUP

PUBLIC LIMITED LIABILITY COMPANY „SANITAS“

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED AND SEPARATE  
FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MARCH 2012**

PREPARED ACCORDING TO INTERNATIONAL  
FINANCIAL REPORTING STANDARDS,  
AS ADOPTED BY THE EUROPEAN UNION



## Contents

Confirmation of Responsible Persons .....	3
General Information .....	4
Statements of Comprehensive Income .....	5
Balance Sheets .....	6
Statements of Changes in Equity .....	8
Cash Flow Statements .....	9
Notes to the Financial Statements .....	11
1. General information .....	11
2. Accounting principles .....	12
3. Segment information .....	12
4. Financial activity, net .....	15
5. Income tax benefit (expenses) .....	15
6. Property, plant and equipment .....	15
7. Intangible assets .....	16
8. Related party transactions .....	16

Public limited liability company „SANITAS“  
UNAUDITED INTERIM CONDENSED CONSOLIDATED AND SEPARATE  
FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2012

### Confirmation of Responsible Persons


Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we Saulius Mecislovas Zemaitis, General Manager of public limited liability company „SANITAS“ (hereinafter SANITAS) and Kristina Montvilaite, Chief Accountant of SANITAS hereby confirm that, to the best of our knowledge, the attached unaudited interim condensed consolidated and separate financial statements for the period ended 31 March 2012, prepared in accordance with IAS 34 Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and profit or loss of SANITAS group and SANITAS.

General Manager



Saulius Mecislovas Zemaitis

Chief Accountant



Kristina Montvilaite

## General Information

### Board of Directors

Mr. Robert Roswell Chai-Onn (Chairman of the Board)  
Ms. Seana-Lyn Carson  
Mr. Marcin Jedrzejuk  
Mr. Tadeusz Pietrasz  
Mr. Leszek Wojtowicz

### Management

Mr. Saulius Mecislovas Zemaitis (General Manager)

### Registered office and company code

Veiveriu str. 134 B,  
LT-46352 Kaunas, Lithuania  
Company code 134136296

### Bankers

Bank PEKAO S.A. Bank Zachodni WBK S.A.  
Danske Bank A/S Lithuanian Branch  
Deutsche Bank PBC S.A.  
Dom Maklerski BZWBK  
Fortis Bank Polska S.A.  
Országos Takarékpénztár és Kereskedelmi Bank  
PKO Bank Polski S.A.  
Raiffeisenbank a.s.  
SEB bankas, AB  
„Swedbank“, AB  
Tatra banka a.s.  
Unikredit Bank sp. z o.o.  
Unikredit Bulbank  
Wniesztorgbank, OAO

The financial statements were approved and signed by the management on 31 May 2012.

Management:

Mr. Saulius Mecislovas Zemaitis  
General Manager



Ms. Kristina Montvilaite  
Chief Accountant



## Statements of Comprehensive Income

	Notes	Group		Company	
		January – March 2012	January – March 2011	January – March 2012	January – March 2011
Revenue	3	96,899	89,714	5,169	4,828
Cost of sales		(37,009)	(32,185)	(2,830)	(2,821)
<b>Gross profit</b>		<b>59,890</b>	<b>57,529</b>	<b>2,339</b>	<b>2,007</b>
Other income		1,104	384	114	892
Selling and distribution expenses		(26,290)	(20,072)	(1,343)	(841)
Regulatory affairs expenses		(1,515)	(3,149)	(55)	(247)
Research and development expenses		(320)	(1,263)	(18)	(31)
Administrative expenses		(6,664)	(7,232)	(1,581)	(2,998)
Other expenses		(862)	(260)	(23)	(2)
<b>Operating profit (loss)</b>		<b>25,343</b>	<b>25,937</b>	<b>(567)</b>	<b>(1,220)</b>
Finance income	4	530	59	569	50
Finance costs	4	(6,571)	(5,514)	(1,975)	(242)
<b>Profit (loss) before tax</b>		<b>19,302</b>	<b>20,482</b>	<b>(1,973)</b>	<b>(1,412)</b>
Income tax benefit (expense)	5	(7,597)	(4,767)	283	109
<b>Profit (loss) from investment to associate</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) for the period</b>		<b>11,705</b>	<b>15,715</b>	<b>(1,690)</b>	<b>(1,303)</b>
<b>Other comprehensive income (expense):</b>					
Exchange differences on translating foreign operation		11,785	(2,822)	-	-
Cash flow hedges		-	1,684	-	-
Income tax (expense) relating to components of other comprehensive income		-	(320)	-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>11,785</b>	<b>(1,458)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (expense) for the period, net of tax</b>		<b>23,490</b>	<b>14,257</b>	<b>(1,690)</b>	<b>(1,303)</b>
<b>Basic and diluted earnings per share (in LTL)</b>		<b>0.38</b>	<b>0.51</b>	<b>-</b>	<b>-</b>

The notes on pages 11 to 17 are an integral part of these financial statements.

## Balance Sheets

	Notes	Group		Company	
		As at 31 March 2012	As at 31 December 2011	As at 31 March 2012	As at 31 December 2011
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	190,020	184,912	57,459	58,127
Intangible assets	7	137,967	130,693	1,462	1,493
Investments in subsidiaries		-	-	308,067	308,068
Investment in associate		487,105	487,105	-	-
Other non-current financial assets		11	11	4	4
Deferred tax asset		15,847	16,534	4,550	4,271
<b>Total non-current assets</b>		<b>830,950</b>	<b>819,255</b>	<b>371,542</b>	<b>371,963</b>
<b>Current assets</b>					
Inventories		42,170	42,096	5,343	5,170
Prepaid income tax		2,291	4,364	-	-
Trade receivables		56,553	67,627	5,505	6,762
Other receivables		1,127	2,657	21,476	20,002
Prepayments and deferred expenses		2,139	1,638	106	161
Cash and cash equivalents		65,607	24,310	3,553	1,964
<b>Total current assets</b>		<b>169,887</b>	<b>142,692</b>	<b>35,983</b>	<b>34,059</b>
<b>Total assets</b>		<b>1,000,837</b>	<b>961,947</b>	<b>407,525</b>	<b>406,022</b>

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## Balance Sheets (cont'd)

	Notes	Group		Company	
		As at 31 March 2012	As at 31 December 2011	As at 31 March 2012	As at 31 December 2011
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		31,106	31,106	31,106	31,106
Share premium		248,086	248,086	248,086	248,086
Legal reserve		3,111	3,111	3,111	3,111
Translation reserve		(14,191)	(25,976)	-	-
Retained earnings		429,201	417,496	22,871	24,561
<b>Total equity</b>		<b>697,313</b>	<b>673,823</b>	<b>305,174</b>	<b>306,864</b>
<b>Non-current liabilities</b>					
Non-current loans		35,228	35,831	35,228	35,831
Financial lease obligations		1,025	1,256	41	45
Deferred tax liability		11,089	10,837	241	245
Deferred income from subsidies		13,241	13,450	13,241	13,450
Employee benefit liability		4,165	3,707	-	-
<b>Total non-current liabilities</b>		<b>64,748</b>	<b>65,081</b>	<b>48,751</b>	<b>49,571</b>
<b>Current liabilities</b>					
Current portion of non-current financial lease obligations		1,164	1,085	25	30
Current loans		195,260	184,380	47,769	44,295
Trade payables		14,102	17,060	2,804	1,668
Advances received		188	185	-	2
Other current liabilities		27,528	19,270	3,002	3,074
Employee benefit liability		380	400	-	-
Provisions		154	663	-	518
<b>Total current liabilities</b>		<b>238,776</b>	<b>223,043</b>	<b>53,600</b>	<b>49,587</b>
<b>Total equity and liabilities</b>		<b>1,000,837</b>	<b>961,947</b>	<b>407,525</b>	<b>406,022</b>

The notes on pages 11 to 17 are an integral part of these financial statements.

## Statements of Changes in Equity

							Group
	Share capital	Share premium	Legal reserve	Fair value reserve	Translation reserve	Retained earnings	Total
<b>Balance as at 31 December 2010</b>	<b>31,106</b>	<b>248,086</b>	<b>3,111</b>	<b>(3,557)</b>	<b>(3,370)</b>	<b>103,076</b>	<b>378,452</b>
Other comprehensive income (expense)	-	-	-	1,364	(2,822)	-	(1,458)
Net profit for the period	-	-	-	-	-	15,715	15,715
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,364</b>	<b>(2,822)</b>	<b>15,715</b>	<b>14,257</b>
<b>Balance as at 31 March 2011</b>	<b>31,106</b>	<b>248,086</b>	<b>3,111</b>	<b>(2,193)</b>	<b>(6,192)</b>	<b>118,791</b>	<b>392,709</b>
<b>Balance as at 31 December 2011</b>	<b>31,106</b>	<b>248,086</b>	<b>3,111</b>	<b>-</b>	<b>(25,976)</b>	<b>417,496</b>	<b>673,823</b>
Other comprehensive income	-	-	-	-	11,785	-	11,785
Net profit for the period	-	-	-	-	-	11,705	11,705
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,785</b>	<b>11,705</b>	<b>23,490</b>
<b>Balance as at 31 March 2012</b>	<b>31,106</b>	<b>248,086</b>	<b>3,111</b>	<b>-</b>	<b>(14,191)</b>	<b>429,201</b>	<b>697,313</b>

						Company
	Share capital	Share premium	Legal reserve	Retained earnings	Total	
<b>Balance as at 31 December 2010</b>	<b>31,106</b>	<b>248,086</b>	<b>3,111</b>	<b>17,884</b>	<b>300,187</b>	
Net (loss) for the period	-	-	-	(1,303)	(1,303)	
<b>Total comprehensive (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,303)</b>	<b>(1,303)</b>	
<b>Balance as at 31 March 2011</b>	<b>31,106</b>	<b>248,086</b>	<b>3,111</b>	<b>16,581</b>	<b>298,884</b>	
<b>Balance as at 31 December 2011</b>	<b>31,106</b>	<b>248,086</b>	<b>3,111</b>	<b>24,561</b>	<b>306,864</b>	
Net (loss) for the period	-	-	-	(1,690)	(1,690)	
<b>Total comprehensive (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,690)</b>	<b>(1,690)</b>	
<b>Balance as at 31 March 2012</b>	<b>31,106</b>	<b>248,086</b>	<b>3,111</b>	<b>22,871</b>	<b>305,174</b>	

The notes on pages 11 to 17 are an integral part of these financial statements.



## Cash Flow Statements

	Group		Company	
	January – March 2012	January – March 2011	January – March 2012	January – March 2011
<b>Cash flows from (to) operating activities</b>				
Profit (loss) before tax	19,302	20,482	(1,973)	(1,412)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortisation	5,386	6,815	764	873
Loss (gain) from disposal, write-off and impairment of non-current assets	(60)	26	5	(7)
Change in allowance and write-off of trade and other receivables	3	(2)	-	-
Change in allowance and write-off of inventories	464	593	(14)	259
Unrealised foreign currency exchange (gain) loss	2,175	1,712	1,973	(50)
Interest expenses	4,728	2,247	1,407	240
Interest (income)	(297)	(9)	(233)	-
Financial instruments settlement	-	1,499	-	-
Other non cash items	(4,655)	(369)	(514)	2
	<b>27,046</b>	<b>32,994</b>	<b>1,415</b>	<b>(95)</b>
<b>Change in working capital:</b>				
(Increase) decrease in inventories	1,624	(3,236)	(159)	(659)
(Increase ) decrease in trade and other receivables and deferred charges	14,867	(8,125)	(672)	(1,129)
Increase (decrease) in trade and other payables and advances received	3,520	(260)	1,064	3,615
(Decrease) in employee benefits	-	(108)	-	-
Income tax (paid)	(4,304)	(104)	-	-
<b>Net cash flows from operating activities</b>	<b>42,753</b>	<b>21,161</b>	<b>1,648</b>	<b>1,732</b>
<b>Cash flows from (to) investing activities</b>				
(Acquisition) of non-current tangible assets	(2,746)	(719)	(283)	(43)
(Acquisition) of non-current intangible assets	(235)	(2,050)	(13)	(163)
Proceeds from sale of non-current assets	307	18	17	17
(Settlement) of financial instruments	-	(1,499)	-	-
Interest received	297	9	236	-
<b>Net cash flows (to) from investing activities</b>	<b>(2,377)</b>	<b>(4,241)</b>	<b>(43)</b>	<b>(189)</b>

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## Cash Flow Statements (cont'd)

	Group		Company	
	January – March 2012	January – March 2011	January – March 2012	January – March 2011
<b>Cash flows from (to) financing activities</b>				
Proceeds from loans	-	225	-	-
(Repayments) of loans	-	(13,516)	-	(1,144)
(Payment) of finance lease liabilities	(277)	(434)	(9)	(125)
Interest (paid)	-	(2,411)	-	(240)
Dividends (paid)	(7)	-	(7)	-
<b>Net cash flows (to) financial activities</b>	<b>(284)</b>	<b>(16,136)</b>	<b>(16)</b>	<b>(1,509)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>40,092</b>	<b>784</b>	<b>1,589</b>	<b>34</b>
Net foreign exchange difference	1,205	-	-	-
<b>Cash and cash equivalents at the beginning of the period</b>	<b>24,310</b>	<b>2,475</b>	<b>1,964</b>	<b>119</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>65,607</b>	<b>3,259</b>	<b>3,553</b>	<b>153</b>
<b>Supplemental information of cash flows:</b>				
Property, plant and equipment acquisition financed by finance lease	-	-	-	-

The notes on pages 11 to 17 are an integral part of these financial statements.

## Notes to the Financial Statements

### 1. General information

Public limited liability company „SANITAS” (hereinafter the Company) is a public limited liability company registered in the Republic of Lithuania on 30 June 1994. The address of its registered office is as follows:

Veiveriu str. 134 B,  
LT-46352 Kaunas, Lithuania.

The Company is involved in production and trade of generic medicines, namely injection preparations, tablets, capsules and ointments. The Company's shares are listed in the Baltic Main List on AB NASDAQ OMX Vilnius.

As at 31 March 2012 and 31 December 2011 the shareholders of the Company were:

	31 March 2012		31 December 2011	
	Number of shares held (thousand)	Percentage	Number of shares held (thousand)	Percentage
Valeant Pharmaceuticals International, Inc	30,921	99.4%	30,921	99.4%
Other	185	0.6%	185	0.6%
<b>Total</b>	<b>31,106</b>	<b>100.00%</b>	<b>31,106</b>	<b>100.00%</b>

The interim condensed consolidated financial statements include the financial statements of public limited liability company „SANITAS” and the subsidiaries listed in the following table (hereinafter – the Group):

Name	Main activities	Country of incorporation	% of equity interest	
			January – March 2012	January – March 2011
Jelfa S.A.	Production and trade of medicines	Poland	100	100
Laboratorium Farmaceutyczne Homeofarm sp. z o.o	Production and trade of medicines	Poland	100	100
Sanitas Pharma a.s.	Marketing, sales and regulatory affairs services	Slovakia	100	100
<b>Associate company</b>				
Valeant IPM sp. z o.o.	Intellectual property management	Poland	36.56	-

As at 30 December 2011 Jelfa S.A. transferred all its intangible assets, related to the medicines licenses, which constituted intellectual property business, as contribution in kind to 36.56% of the associate company Valeant IPM sp. z o.o.

As at 31 December 2011, 100% of Valeant IPM sp. z o.o. total assets fair value amounted to LTL 1,337,107 thousand, total liabilities fair value amounted to LTL 4,763 thousand, while 2011 revenues were LTL 65,115 thousand and 2011 profit was equal to LTL 948 thousand.

As at 31 March 2012 the number of employees of the Group was 918 (as at 31 December 2011 – 1,077). As at 31 March 2012 the number of employees of the Company was 110 (as at 31 December 2011 – 108).

The interim condensed financial statements were approved and signed by the Management on 31 May 2012.

## 2. Accounting principles

The principal accounting policies adopted in preparing the Group's and the Company's interim condensed financial statements for the period ended 31 March 2012 are as follows:

### **Basis of preparation**

The interim condensed consolidated and separate financial statements for the period ended 31 March 2012 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated and separate financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's and the Company's annual financial statements as at 31 December 2011.

### **Significant accounting policies**

The accounting policies adopted in the preparation of the interim condensed consolidated and separate financial statements are consistent with those followed in the preparation of the Group's and the Company's annual financial statements for the year ended 31 December 2011.

## 3. Segment information

For management purposes, the Group is organised into business units on their products, and has four reportable operating segments: injectables, tablets, ointments and eye drops and pre-filled syringes. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Operating expenses, which are directly related to the operating segments, are allocated to the particular segments. Other operating expenses, related to the ordinary activities are indirectly allocated to the operating segments – pro rata production volumes in the period. One-off operating expenses are not allocated to the segments (e.g. transaction costs in 2011). Financial activities and income taxes are managed on a Group level and are not allocated to the operating segments as well. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

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The table below present revenue and profit information regarding the Group's operating segments for the period ended 31 March 2012 and 2011, respectively:

	Group											
	Injectables		Tablets		Ointments		Eye drops, syringe		Unallocated		Total	
	1Q 2012	1Q 2011	1Q 2012	1Q 2011	1Q 2012	1Q 2011	1Q 2012	1Q 2011	1Q 2012	1Q 2011	1Q 2012	1Q 2011
Toll manufacturing sales	1,828	3,103	2,376	2,135	-	221	112	57	-	-	4,316	5,516
Own products sales	13,517	12,161	38,099	29,674	40,342	41,273	329	324	296	766	92,583	84,198
<b>Total revenue</b>	<b>15,345</b>	<b>15,264</b>	<b>40,475</b>	<b>31,809</b>	<b>40,342</b>	<b>41,494</b>	<b>441</b>	<b>381</b>	<b>296</b>	<b>766</b>	<b>96,899</b>	<b>89,714</b>
<b>Profit (loss) before taxes*</b>	<b>2,200</b>	<b>1,904</b>	<b>14,851</b>	<b>7,221</b>	<b>8,660</b>	<b>18,510</b>	<b>92</b>	<b>(281)</b>	<b>(6,501)</b>	<b>(6,872)</b>	<b>19,302</b>	<b>20,482</b>

\* Profit (loss) before taxes include gross profit less operating expenses.

The table below present revenue and profit information regarding the Company's operating segments for the period ended 31 March 2012 and 2011, respectively:

	Company											
	Injectables		Tablets		Ointments		Eye drops, syringe		Unallocated		Total	
	1Q 2012	1Q 2011	1Q 2012	1Q 2011	1Q 2012	1Q 2011	1Q 2012	1Q 2011	1Q 2012	1Q 2011	1Q 2012	1Q 2011
Toll manufacturing sales	499	443	336	186	-	-	112	57	-	-	947	686
Own products sales	1,748	2,005	1,496	1,384	476	468	501	406	1	(121)	4,222	4,142
<b>Total revenue</b>	<b>2,247</b>	<b>2,448</b>	<b>1,832</b>	<b>1,570</b>	<b>476</b>	<b>468</b>	<b>613</b>	<b>463</b>	<b>1</b>	<b>(121)</b>	<b>5,169</b>	<b>4,828</b>
<b>Profit (loss) before taxes*</b>	<b>(1,168)</b>	<b>(1,240)</b>	<b>313</b>	<b>(209)</b>	<b>232</b>	<b>(81)</b>	<b>52</b>	<b>(321)</b>	<b>(1,402)</b>	<b>439</b>	<b>(1,973)</b>	<b>(1,412)</b>

\* Profit (loss) before taxes include gross profit less operating expenses.

Revenue reported above represents revenue generated from external customers. There were no intersegment sales in the year 2012 and 2011. There are no significant seasonality fluctuations in the Group's and the Company's operational business. Unallocated sales mainly include sales of syrups and suspensions, which can not be attributed to the other segments.

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The Group's and Company's revenue from external customers by geographical location for the period ended 31 March 2012 and 2011 detailed below:

Group						
	Toll manufacturing sales		Own products sales		Total	
	1Q 2012	1Q 2011	1Q 2012	1Q 2011	1Q 2012	1Q 2011
Poland	86	226	54,914	48,723	55,000	48,949
Russia	-	-	20,239	21,178	20,239	21,178
Ukraine	-	-	4,108	2,773	4,108	2,773
Lithuania	-	-	3,832	3,887	3,832	3,887
Slovakia	-	-	2,510	1,062	2,510	1,062
Czech Republic	-	-	2,251	1,346	2,251	1,346
Latvia	1,754	2,941	218	173	1,972	3,114
Germany	1,533	1,941	-	-	1,533	1,941
Bulgaria	-	-	1,110	1,992	1,110	1,992
Hungary	-	-	859	681	859	681
Georgia	-	-	719	758	719	758
Kazakhstan	-	-	515	694	515	694
Vietnam	-	-	426	128	426	128
Switzerland	402	44	-	-	402	44
Kyrgyzstan	-	-	140	55	140	55
Belarus	-	-	136	619	136	619
USA	74	161	-	-	74	161
Moldova	-	-	64	129	64	129
Uzbekistan	-	-	57	-	57	-
Great Britain	-	203	-	-	-	203
Unallocated	467	-	485	-	952	-
	<b>4,316</b>	<b>5,516</b>	<b>92,583</b>	<b>84,198</b>	<b>96,899</b>	<b>89,714</b>

Company						
	Toll manufacturing sales		Own products sales		Total	
	1Q 2012	1Q 2011	1Q 2012	1Q 2011	1Q 2012	1Q 2011
Lithuania	-	-	3,832	3,887	3,832	3,887
Latvia	499	443	218	173	717	616
Germany	317	243	-	-	317	243
Poland	-	-	172	82	172	82
Netherlands	131	-	-	-	131	-
	<b>947</b>	<b>686</b>	<b>4,222</b>	<b>4,142</b>	<b>5,169</b>	<b>4,828</b>

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#### 4. Financial activity, net

	Group		Company	
	January – March 2012	January – March 2011	January – March 2012	January – March 2011
Foreign currency exchange gain, net	-	50	-	50
Interest income	297	9	336	-
Fines and overdue interests	233	-	233	-
	<b>530</b>	<b>59</b>	<b>569</b>	<b>50</b>
Interest (expenses)	(4,392)	(2,247)	(1,406)	(240)
Foreign currency exchange (loss), net	(2,175)	(1,762)	(565)	-
Cash outflows for financial instruments	-	(1,499)	-	-
Other financial (expenses)	(4)	(6)	(4)	(2)
	<b>(6,571)</b>	<b>(5,514)</b>	<b>(1,975)</b>	<b>(242)</b>

#### 5. Income tax benefit (expenses)

	Group		Company	
	January – March 2012	January – March 2011	January – March 2012	January – March 2011
Current year income tax	(6,486)	(2,426)	-	-
Prior year current income tax correction	(101)	640	-	-
Deferred tax income (expenses)	(1,010)	(2,981)	283	109
<b>Income tax (expenses) benefit charged to the profit and loss</b>	<b>(7,597)</b>	<b>(4,767)</b>	<b>283</b>	<b>109</b>

#### 6. Property, plant and equipment

During the period ended 31 March 2012, the Group acquired non-current fixed assets with a cost of LTL 2,711 thousand (for the period ended 31 March 2011 – LTL 1,216 thousand). Assets with a net book value of LTL 76 thousand were disposed and written off by the Group during the first quarter of the year 2012 (for the period ended 31 March 2011 – LTL 34 thousand), resulting in a net gain on disposal and write-off of LTL 60 thousand (for the period ended 31 March 2011 net loss of LTL 16 thousand).

During the period ended 31 March 2012, the Company acquired non-current fixed assets with a cost of LTL 283 thousand (for the period ended 31 March 2011 – LTL 139 thousand). Assets with a net book value of LTL 20 thousand were disposed and written off by the Company during the period ended 31 March 2012 (for the period ended 31 March 2011 – LTL 0 thousand), resulting in a net gain on disposal and write-off of LTL 17 thousand (for the period ended 31 March 2011 – net loss of LTL 17 thousand).

## 7. Intangible assets

During the period ended 31 March 2012 the Group acquired non-current intangible assets with a cost of LTL 235 thousand (for the period ended 31 March 2011 – LTL 2,158 thousand). Assets with a net book value of LTL 5 thousand were written off by the Group during the period ended 31 March 2012 (for the period ended 31 March 2011 – LTL 10 thousand), resulting in a net loss on write-off of LTL 5 thousand (for the period ended 31 March 2011 net loss of LTL 10 thousand).

During the period ended 31 March 2012 the Company acquired non-current intangible assets with a cost of LTL 13 thousand (for the period ended 31 March 2011 – LTL 109 thousand). Assets with a net book value of LTL 2 thousand were written off by the Company during the period ended 31 March 2012 (for the period ended 31 March 2011 – LTL 10 thousand), resulting in a net loss on write-off of LTL 2 thousand (for the period ended 31 March 2011 net loss of LTL 10 thousand).

## 8. Related party transactions

In the period ended 31 March 2012 and 2011 the Group and the Company had transactions and balances with the following related parties:

Valeant Pharmaceuticals International, Inc. (the shareholder of the Company);  
 Jelfa S.A. (the subsidiary of the Company);  
 Laboratorium Farmaceutyczne Homeofarm sp. z o.o. (the subsidiary of the Company);  
 Sanitas Pharma a.s. (the subsidiary of the Company);  
 Valeant IPM sp. z o.o. (the associate of the Company);  
 HBM Pharma s.r.o. (the ex-subsidiary of the Company);  
 ICN Polfa Rzeszow S.A. (the affiliate of Valeant Pharmaceuticals International, Inc.);  
 PharmaSwiss, UAB (the affiliate of Valeant Pharmaceuticals International, Inc.);  
 PharmaSwiss EOOD (the affiliate of Valeant Pharmaceuticals International, Inc.);  
 Amber Trust II (the ex-shareholder of the Company);  
 Citigroup Venture Capital International Jersey Limited (the ex-shareholder of the Company);  
 Invalda, AB (the ex-shareholder of the Company);  
 Natural persons (the ex-shareholders of the Company);  
 Acena, UAB (the affiliate of Invalda, AB);  
 Baltic Amadeus Infrastrukturos Paslaugos, UAB (the affiliate of Invalda, AB);  
 Informatikos Pasaulis, UAB (the affiliate of Invalda, AB).

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The Group's and the Company's transactions with related parties in the period ended 31 March 2012 and related balances as at 31 March 2011 were as follows:

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
<b>The Company's transactions</b>				
Jelfa S.A.	288	691	21,976	648
Sanitas Pharma a.s.	-	50	-	-
<b>The Company's and the Group's transactions</b>				
Valeant Pharmaceuticals International, Inc.	-	-	-	35,228
ICN Polfa Rzeszow S.A.	-	14	-	26,039
PharmaSwiss, UAB	-	1,500	-	1,000
Valeant IPM sp. z o.o.	-	-	-	21,741
Acena, UAB	-	-	-	-
Invalda, AB	-	-	-	-
<b>The Group's transactions</b>				
ICN Polfa Rzeszow S.A.	59,309	24,174	23,588	126,692
PharmaSwiss, UAB	2	-	-	-
Valeant IPM sp. z o.o.	335	17,000	530	20,910

The Group's and the Company's transactions with related parties in the period ended 31 March 2011 and related balances as at 31 March 2011 were as follows:

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
<b>The Company's transactions</b>				
Jelfa S.A.	1,031	3,186	2,560	36,939
Laboratorium Farmaceutyczne Homeofarm sp. z o.o.	-	-	-	17
Sanitas Pharma a.s.	4	130	-	181
<b>The Company's and the Group's transactions</b>				
Amber Trust II	-	-	-	260
Citigroup Venture Capital International Jersey Limited	-	-	-	345
Invalda, AB	-	-	-	870
Natural persons	-	-	-	147
Acena, UAB	-	28	-	-