

INDEPENDENT AUDITOR'S REPORT

**TO
THE SHAREHOLDERS
OF SOPHARMA AD**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sopharma AD (the Parent Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes and information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards, accepted by the Commission of the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Independent Financial Audit Law and the professional requirements of International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Sopharma Group as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, accepted by the Commission of the European Union.

Report on Other Legal and Regulatory Requirements

Annual Report on the activities of the Sopharma Group under the Bulgarian Accountancy Act (Art. 33)


Pursuant to the requirements of the Bulgarian Accountancy Act (Art. 38, para 4), we have read the Annual Report of the management on the Sopharma Group's activities for the reporting year 2011. This Report is not a part of the consolidated financial statements for the same period. The management of the



Parent Company is responsible for the preparation of this Annual Report on the activities dated 11 May 2012. The historical financial information presented in the Annual Report on the activities is consistent, in all material respects, with the information disclosed in the Group's consolidated financial statements as at 31 December 2011, prepared in accordance with the International Financial Reporting Standards, accepted by the Commission of the European Union.



AFA OOD

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11 May 2012

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This is a translation from Bulgarian of the Independent Auditor's Report on the Consolidated Financial Statements of Sopharma Group for the year ended 31 December 2011.