

According to Art 5 par. 3 of the Takeover Act (Official Gazette No. 84/02, 87/02 and 120/02) Barr Laboratories Europe B.V. with its corporate seat in the Netherlands, 1012 KK Amsterdam, Rokin 55, represented by Arijana Petres, attorney at law from Zagreb, Palmotićeveva 15, is hereby announcing the following

**TAKEOVER BID**

**made to all shareholders of the issuer PLIVA d.d., Zagreb, Grada Vukovara 49**

1. The basic capital of the issuer PLIVA d.d., Zagreb, Grada Vukovara 49 (hereinafter: the "Bidder") amounts to HRK 1,859,264,800.00 and is divided into 18,592,648 regular registered shares, each of nominal value amounting to HRK 100.00 and all of total nominal value amounting to HRK 1,859,264,800.00. Each regular share provides the right to one vote in the Issuer's general assembly, so the assembly enrolls altogether 18,592,648 votes (decreased by the number of votes as accorded from time to time to the treasury shares). All shares in the Issuer are recorded in the computed system of the Central Depository Agency d.d., Zagreb under the code PLVA-R-A.
2. Barr Laboratories Europe B.V., the Netherlands, 1012 KK Amsterdam, Rokin 55 (hereinafter: the "Bidder") is an affiliate of the Barr Group. All members of the Barr Group are either directly or indirectly controlled by Barr Pharmaceuticals Inc., New Jersey, U.S. and, thus, shall be considered as entities acting in concert in the sense of Art 8 TA. As of the date hereof the Bidder neither directly, nor indirectly by acting in concert with others, holds any shares in the Issuer or voting rights in the Issuer's General Assembly (0%).
3. The Bidder makes this takeover bid to each and all shareholders of the Issuer holding voting shares in the Issuer, and undertakes to purchase each and every voting share in the Issuer under the terms and conditions set forth under the law and this take-over bid.
4. Per each paid-up voting stock the Bidder undertakes to pay a purchase price amounting to HRK 743.00. Per each unpaid-up voting stock the Bidder undertakes to pay a purchase price amounting to 743.00, decreased by the amount needed for the obligatory premature one-off payment due for such shares to the Croatian Privatization Fund.
5. Notwithstanding the provisions set forth under item 3 hereof, the Bidder will neither purchase encumbered shares, nor the shares that will be deposited for the acceptance of the takeover bid if the total number of votes accorded by such deposited shares does not exceed 50% of voting rights accorded by all the issued shares carrying voting rights. In such a case, if an insufficient number of shares is being deposited, the Bidder shall not be obliged to purchase and takeover the deposited shares.

## Unofficial Translation

6. The term of validity of this takeover bid shall be 30 (thirty) days from the day of its announcement in the Official Gazette and one other daily papers which are sold in the entire Croatian territory (Večernji list and Jutarnji list, as applicable). The validity term of the bid shall be calculated from the publication of the later announcement and, exceptionally, may be prolonged under the terms and conditions set forth under law.
7. For the purpose of this takeover bid the Depository shall be the Central Depository Agency d.d., Zagreb (hereinafter: "CDA").

The shareholders of the Issuer who wish to accept this bid and sell their shares to the Bidder shall, within the term of this takeover bid, deliver to CDA a duly completed written *order for acceptance of takeover bid / canceling of acceptance* (KA-POP form). The KA-POP forms that shall serve for the acceptance of this take-over bid CDA shall distribute by mail to any and all shareholders of the Issuer. The shareholders are also welcome to obtain the KA-POP forms directly from CDA. The shareholders who choose to accept this take-over bid shall either:

- a) personally deliver the filled-in KA-POP form to the Central Depository Agency d.d., Zagreb, Heinzelova 62a and execute it in the presence of a CDA officer, in which case no signature legalization shall be necessary; or
- b) send the filled-in KA-POP form to the Central Depository Agency d.d., Zagreb, Heinzelova 62a by registered mail, in which case the shareholder's signature shall be legalized by a notary public (exceptionally, super-legalization in accordance with 1961 Hague Convention might be needed if the legalization was exercised abroad).

Shareholders depositing unpaid-up shares shall be obliged to attach to their KA-POP forms a certificate by the Croatian Privatization Fund stating the exact number of their paid-up and unpaid-up shares and the amount due for the premature one-off payment. The certificates shall bear a date falling after the announcement of this takeover bid.

8. The stocks shall be deposited by transferal from the shareholder's free ownership position to a separate escrow account opened with CDA for the purposes of depositing the shares on the basis of this takeover bid.
9. Each and every order for depositing of shares shall be deemed as an acceptance of this takeover bid. The offered purchaser price for the deposited shares shall be paid up within a 14-day term following the expiry of this takeover bid, into those bank accounts as designated by the respective shareholders to CDA for allocation of dividend.

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Simultaneously with the price settlement the shareholders shall be reimbursed the costs triggered by the legalization of their signatures, all out of the funds that the Bidder has fully secured for funding this takeover process.

10. All until the expiry of this takeover bid each shareholder may withdraw his shares from the deposit, which manifest shall be deemed as a rejection of the bid i.e. of the sale of shares to the Bidder. The withdrawal of shares from deposit shall be effectuated by using the same form (KA-POP form), which shall be executed and delivered in the same fashion as set forth under item 7 above.
11. Upon the success of this take-over bid, the objectives and intentions of the Bidder and Barr Group are to act jointly with the Issuer (hereinafter: "PLIVA") as a single global enterprise, whereas PLIVA's headquarters and production shall stay in the Republic of Croatia and PLIVA shall continue operating as the BARR headquarters for its business operations in Europe. In that respect we rely on the international reputation of the PLIVA brand, its business results, contacts, and experience and are confident about having the same favorable trends through future acting in concert.

The combination of Barr and PLIVA allows maintaining the present production level and expanding the Croatian production plants due to their future engagement in production of an assortment of Barr products i.e. it allows an increase of local employment rates, along with improving the regional distribution channels under reasonable costs. The joint undertaking we consider as a natural consequence of the former co-operation between BARR and PLIVA which shall now result in combining the two largely complementary product portfolios and R&D capabilities, as all in line with our long term goal of becoming a leading manufacturer of generic-, original-, immunologic- and other drugs and medical products.

In particular BARR intends to preserve and protect the internationally recognizable and reputable PLIVA brand, whereas we shall in particular encourage the PLIVA position in the emerging arena of generic biopharmaceuticals and its research in the field of pharmaceutical- and other active ingredients. From our side we are dedicated to transfer to PLIVA the BARR know-how as we would optimize the affirmation of PLIVA in the US market as well.

We are prepared to expand the investment in research-, development- and production capacity of PLIVA with the ultimate goal of a steady growth of the variety and volume of our joint portfolio. We find the expertise work, professional skills and business engagement of PLIVA, i.e. of its employees and management, critical for the realization of the aforesaid business strategy. We intend to support the same standards in the future, all in line with the best European and international business practices, whereas the later we consider as necessary asset for a long term prosper after the Republic of Croatia joins the European Union.

On the basis of the due economic, legal and other expertise studies, we believe our goals and intents as regards PLIVA are true and correct and bring additional long

## **Unofficial Translation**

term value for BARR and PLIVA, PLIVA employees, as well as for local and international customers and end-users of PLIVA and BARR products. Our business goals and intents have remained unchanged ever since the very beginning of this project so now, therefore, we confirm the same by announcing this public bid.

**Barr Laboratories Europe B.V.**