

PRESS RELEASE

NO. 04/14.03.2006

Bucharest,
14 March 2006
2 pages

Biofarm's shareholders have no reasons to worry

SC BIOFARM SA has never been involved in a lawsuit between SOF and International Pharmaceutical Group (Shapiro Bancorp LLC)

In relation to the article published today in the Financial Newspaper, SC BIOFARM SA is entitled to make the following comments:

1. The information according to which AVAS obtained in the Court cancellation of the Biofarm privatization is incorrect. Biofarm's privatization occurred in two steps: the first step was mass privatization and the second was the sale of a specific number of shares to Shapiro Bancorp LLC. The process referred to in this article addresses a lawsuit between one of the numerous shareholders of the company who currently holds shares in BIOFARM, namely Shapiro Bancorp LLC, and SOF. **SC BIOFARM SA has never been a party to the litigation ongoing at the Bucharest Court of Justice and has never been summoned in the aforementioned litigation.**
2. In time Shapiro Bancorp LLC has changed its name to International Pharmaceutical Group.
3. **SC BIOFARM SA has never been a party to the share sale purchase agreement no. 975/1997 concluded between SOF and Shapiro Bancorp LLC (International Pharmaceutical Group), a contract which referred to a specific number of shares.**
4. International Pharmaceutical Group is registered in the Shareholders' Registrar with a number of Biofarm shares that is the same number of shares which made the object of the share sale purchase agreement concluded between SOF and Shapiro Bancorp LLC (International Pharmaceutical Group). **Any legal ruling in the trial aforementioned can**

only focus on those shares and has no consequence on the stakes held by the other shareholders of SC BIOFARM SA.

5. The shares held by International Pharmaceutical Group have never been and are not blocked for transactions.
6. In 2002, APAPS (AVAS) recognized the performance of Biofarm privatization process by granting a diploma that acknowledged that BIOFARM was ranked third in the 2001 National Top of privatized companies.