

Extraordinary announcement

The Board of **Chemical Works of Gedeon Richter Plc.** (“**Richter**”) announces that the acquisition of Polpharma S.A. (“**Polpharma**”) is unlikely to be completed.

On 15 November 2007 Richter announced that it had signed an agreement (“**Agreement**”) with Genefar BV. /De Boelelaan 7, 1083HJ Amsterdam, Holland/ (“**Genefar**”) relating to the acquisition of 99.65% of the shares of Polpharma. The extraordinary general meeting of Richter held on 18 December 2007 with resolution No.: 5/2007.12.18. approved the transaction.

On 3 July, 2008 the Polish competition authority (OPCC) granted approval for the transaction pursuant to the Agreement. On the same day (3 July 2008), Richter received a termination notification from Genefar in relation to the Agreement between Genefar and Richter. Further to these events and after notification to the Hungarian Financial Supervisory Authority, Richter on 4 July, 2008 requested from the Budapest Stock Exchange that the trading of Richter shares be suspended.

Richter disagrees with Genefar’s position relating to the termination of the Agreement. In light of the merger control approval, Richter has scheduled the date for the closing and for the subscription of the new shares for 14 July, 2008, in accordance with the terms of the Agreement, and notified Genefar on 4 July, 2008 accordingly.

The representatives and the financial and legal advisors of both of Richter and Genefar met in Budapest on 6 July 2008 in order to clarify the situation. At the meeting no agreement was reached by the Parties as it became evident that Genefar’s completion of the Agreement was subject to Richter providing additional rights and benefits and releasing Genefar from certain obligations as compared to the Agreement signed and subsequently approved by Richter’s EGM. Although Richter remains ready to proceed to closing on the basis of the original Agreement, Genefar has advised that it no longer wishes to complete on the original terms approved by the EGM of Richter on December 18, 2007 and thus the Board of Richter believes that the transaction between Richter and Polpharma is unlikely to be completed. In this event, Richter will take the necessary steps to enforce its claim for the break up penalty amounting to USD 40 million.

On behalf of the Board, Erik Bogsch, Managing Director of Richter commented, „we have made every effort to complete this transaction on the terms agreed and approved by our shareholders. Whilst we are naturally disappointed, we remain committed to our corporate strategy (therapeutic niches, value added products and biotechnology) as a regional multinational pharma company, and focused on delivering value for our shareholders.”

Gedeon Richter Plc.