

SANITAS GROUP

PUBLIC LIMITED LIABILITY COMPANY „SANITAS“

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 30 SEPTEMBER 2012**
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL
REPORTING STANDARDS, AS ADOPTED BY THE
EUROPEAN UNION



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Public limited liability company SANITAS
UNAUDITED INTERIM CONDENSED CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER
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 30 September 2012, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, 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

UNAUDITED INTERIM CONDENSED CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER
2012

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 1341 36296

Banks

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.
Orszagos Takarekpenztar es Kereskedelmi Bank
PKO Bank Polski S.A.
Raiffeisenbank a.s.
„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 29 November 2012.

Mr. Saulius Mecislovas Zemaitis
General Manager



Ms. Kristina Montvilaite
Chief Accountant



Statements of Comprehensive Income

	Notes	Group		Company	
		January – September 2012	January – September 2011	January – September 2012	January – September 2011
Revenue	3	246,219	250,099	14,636	14,987
Cost of sales		(87,771)	(93,410)	(8,446)	(8,753)
Gross profit		158,448	156,689	6,190	6,234
Other income		3,385	1,436	624	3,089
Selling and distribution expenses		(75,806)	(67,963)	(3,545)	(3,085)
Regulatory affairs expenses		(5,923)	(10,767)	(656)	(908)
Research and development expenses		(454)	(1,625)	(18)	(88)
Administrative expenses	4	(30,585)	(69,787)	(3,301)	(44,956)
Other expenses		(3,059)	(1,032)	(118)	(2)
Operating profit (loss)		46,006	6,951	(824)	(39,716)
Finance income	5	1,232	10	670	39,480
Finance costs	5	(21,086)	(26,000)	(8,230)	(3,623)
Share of income from associate		8,403	-	-	-
Profit (loss) before tax		34,555	(19,039)	(8,384)	(3,859)
Income tax benefit (expense)	6	(6,374)	(5,334)	1,271	778
Profit (loss) for the period		28,181	(24,373)	(7,113)	(3,081)
Other comprehensive income (expense):					
Exchange differences on translating foreign operation		12,655	(38,463)	-	-
Cash flow hedges		-	4,391	-	-
Income tax (expense) relating to components of other comprehensive income		-	(834)	-	-
Other comprehensive income for the period, net of tax		12,655	(34,906)	-	-
Total comprehensive income (expense) for the period, net of tax		40,836	(59,279)	(7,113)	(3,081)
Basic and diluted earnings per share (in LTL)		0.91	(0.78)		

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Statements of Comprehensive Income (cont'd)

	Notes	Group		The Company	
		July – September 2012	July – September 2011	July – September 2012	July – September 2011
Revenue	3	67,081	80,944	4,197	4,743
Cost of sales		(29,100)	(31,444)	(2,767)	(2,847)
Gross profit		37,981	49,500	1,430	1,896
Other income		417	548	40	1,112
Selling and distribution expenses		(25,276)	(22,902)	(1,156)	(1,123)
Regulatory affairs expenses		(2,590)	(3,642)	(229)	(347)
Research and development expenses		(60)	(509)	-	(25)
Administrative expenses	4	(9,726)	(37,394)	(768)	(24,346)
Other expenses		(734)	(385)	-	-
Operating profit (loss)		12	(14,784)	(683)	(22,833)
Finance income	5	312	4	24	-
Finance costs	5	(7,619)	(17,002)	(3,060)	(2,722)
Share of income from associate		1,078	-	-	-
Profit (loss) before tax		(6,217)	(31,782)	(3,719)	(25,555)
Income tax benefit (expense)	6	1,202	1,311	622	604
Profit (loss) for the period		(5,015)	(30,471)	(3,097)	(24,951)
Other comprehensive income (expense):					
Exchange differences on translating foreign operation		6,305	(34,840)	-	-
Cash flow hedges		-	1,238	-	-
Income tax (expense) relating to components of other comprehensive income		-	(235)	-	-
Other comprehensive income for the period, net of tax		6,305	(33,837)	-	-
Total comprehensive income (expense) for the period, net of tax		1,290	(64,308)	(3,097)	(24,951)
Basic and diluted earnings per share (in LTL)		-0.16	-0.98		

The notes on pages 13 to 19 are an integral part of these financial statements.

Balance Sheets

	Notes	Group		The Company	
		As at 30 September 2012	As at 31 December 2011	As at 30 September 2012	As at 31 December 2011
ASSETS					
Non-current assets					
Property, plant and equipment	7	185,503	184,912	55,591	58,127
Intangible assets	8	137,507	130,693	1,027	1,493
Investments in subsidiaries		-	-	308,067	308,068
Investment in associate		495,508	487,105	-	-
Other non-current financial assets		11	11	3	4
Deferred tax asset		17,634	16,534	5,531	4,271
Total non-current assets		836,163	819,255	370,219	371,963
Current assets					
Inventories		51,720	42,096	5,049	5,170
Prepaid income tax		143	4,364	-	-
Trade receivables		47,638	67,627	3,831	6,762
Other receivables		6,242	2,657	114	20,002
Prepayments and deferred expenses		4,072	1,638	215	161
Cash and cash equivalents		36,803	24,310	2,457	1,964
Total current assets		146,618	142,692	11,666	34,059
Total assets		982,781	961,947	381,885	406,022

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Balance Sheets (cont'd)

	Notes	Group		The Company	
		As at 30 September 2012	As at 31 December 2011	As at 30 September 2012	As at 31 December 2011
EQUITY AND LIABILITIES					
Equity					
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		(13,321)	(25,976)	-	-
Retained earnings		445,677	417,496	17,448	24,561
Total equity		714,659	673,823	299,751	306,864
Non-current liabilities					
Non-current loans	9	-	35,831	-	35,831
Financial lease obligations		468	1,256	-	45
Deferred tax liability		10,558	10,837	234	245
Deferred income from subsidies		12,821	13,450	12,821	13,450
Employee benefit liability		3,884	3,707	-	-
Total non-current liabilities		27,731	65,081	13,055	49,571
Current liabilities					
Current portion of non-current financial lease obligations		1,105	1,085	-	30
Current loans	9	199,827	184,380	65,323	44,295
Trade payables		26,712	17,060	2,185	1,668
Advances received		137	185	-	2
Income tax payable		-	-	-	-
Other current liabilities		9,743	19,270	1,571	3,074
Employee benefit liability		378	400	-	-
Provisions		2,489	663	-	518
Total current liabilities		240,391	223,043	69,079	49,587
Total equity and liabilities		982,781	961,947	381,885	406,022

The notes on pages 13 to 19 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
Balance as at 31 December 2010	31,106	248,086	3,111	(3,557)	(3,370)	103,076	378,452
Other comprehensive income	-	-	-	3,557	(38,463)	-	(34,906)
Net (loss) for the period	-	-	-	-	-	(24,373)	(24,373)
Total comprehensive income for the period	-	-	-	3,557	(38,463)	(24,373)	(59,279)
Balance as at 30 September 2011	31,106	248,086	3,111	-	(41,833)	78,703	319,173
Balance as at 31 December 2011	31,106	248,086	3,111	-	(25,976)	417,496	673,823
Other comprehensive income (expense)	-	-	-	-	12,655	-	12,655
Net profit for the period	-	-	-	-	-	28,181	28,181
Total comprehensive income for the period	-	-	-	-	12,655	28,181	40,836
Balance as at 30 September 2012	31,106	248,086	3,111	-	(13,321)	445,677	714,659

					The Company
	Share capital	Share premium	Legal reserve	Retained earnings	Total
Balance as at 31 December 2010	31,106	248,086	3,111	17,883	300,186
Net (loss) for the period	-	-	-	(3,081)	(3,081)
Total comprehensive (expense) for the period	-	-	-	(3,081)	(3,081)
Balance as at 30 September 2011	31,106	248,086	3,111	14,802	297,105
Balance as at 31 December 2011	31,106	248,086	3,111	24,561	306,864
Net (loss) for the period	-	-	-	(7,113)	(7,113)
Total comprehensive income for the period	-	-	-	(7,113)	(7,113)
Balance as at 30 September 2012	31,106	248,086	3,111	17,448	299,751

The notes on pages 13 to 19 are an integral part of these financial statements.

Cash Flow Statements

	Group		The Company	
	January – September 2012	January – September 2011	January – September 2012	January – September 2011
Cash flows from (to) operating activities				
Profit (loss) before tax	34,555	(19,039)	(8,384)	(3,859)
Adjustments for non-cash items:				
Depreciation and amortization	16,476	19,615	2,312	2,619
Loss (gain) from disposal, write-off and impairment of non-current assets	255	(1)	379	-
Change in equity method of investment to associate	(8,403)	-	-	-
Change in allowance and write-off of trade and other receivables	(167)	(4)	-	-
Change in allowance and write-off of inventories	3,293	4,969	(28)	459
Unrealised foreign currency exchange loss	8,477	15,113	4,244	2,392
Interest expenses	12,601	6,659	3,982	1,196
Interest (income)	(961)	(10)	(399)	-
Financial instruments settlement	-	4,168	-	-
Dividends (income) (Note 5)	-	-	-	(39,480)
Other non cash items	(2,037)	21	(514)	35
	64,089	31,491	1,592	(36,638)
Change in working capital:				
(Increase) decrease in inventories	(10,479)	(11,328)	149	(525)
(Increase) decrease in trade and other receivables and deferred charges	17,923	(15,082)	22,470	(1,674)
Increase (decrease) in trade and other payables and advances received	(8,832)	3,906	(980)	(11,790)
(Decrease) in employee benefits	(277)	(393)	-	-
Income tax (paid)	(3,227)	(6,529)	-	-
Net cash flows from operating activities	59,197	2,065	23,231	(50,627)
Cash flows from (to) investing activities				
(Acquisition) of non-current tangible assets	(7,594)	(2,516)	(375)	(145)
(Acquisition) of non-current intangible assets	(397)	(4,754)	(15)	(274)
Proceeds from sale of non-current assets	519	52	73	17
(Settlement) of financial instruments	-	(4,168)	-	-
Interest received	961	10	399	-
Net cash flows (to) from investing activities	(6,511)	(11,376)	82	(402)

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Cash Flow Statements (cont'd)

	Group		The Company	
	January – September 2012	January – September 2011	January – September 2012	January – September 2011
Cash flows from (to) financing activities				
Proceeds from loans	50,842	86,691	34,183	86,656
(Repayments) of loans	(86,605)	(65,751)	(56,915)	(31,456)
(Payment) of finance lease liabilities	(894)	(1,065)	(75)	(231)
Interest (paid)	(1,250)	(7,597)	-	(1,978)
Dividends (paid)	(13)	(13)	(13)	(13)
Net cash flows from (to) financial activities	(37,920)	12,265	(22,820)	52,978
Net increase in cash and cash equivalents	14,766	2,954	493	1,949
Net foreign exchange difference	(2,273)	-	-	-
Cash and cash equivalents at the beginning of the period	24,310	2,475	1,964	119
Cash and cash equivalents at the end of the period	36,803	5,429	2,457	2,068
Supplemental information of cash flows:				
Property, plant and equipment acquisition financed by finance lease	-	705	-	160

The notes on pages 13 to 19 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 30 September 2012 and 31 December 2011 the shareholders of the Company were:

	30 September 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%
Total	31,106	100.00%	31,106	100.00%

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 – June 2012	January – June 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
Associate company				
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 30 September 2012 the number of employees of the Group was 862 (as at 31 December 2011 – 1,077). As at 30 September 2012 the number of employees of the Company was 104 (as at 31 December 2011 – 108).

The interim condensed financial statements were approved and signed by the Management on 29 November 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 30 September 2012 are as follows:

Basis of preparation

The interim condensed consolidated and separate financial statements for the period ended 30 September 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: injectable, 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 the first half of 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 30 September 2012 and 2011, respectively:

	Group											
	Injectables		Tablets		Ointments		Eye drops, syringe		Unallocated		Total	
	3Q 2012	3Q 2011	3Q 2012	3Q 2011	3Q 2012	3Q 2011	3Q 2012	3Q 2011	3Q 2012	3Q 2011	3Q 2012	3Q 2011
Toll manufacturing sales	2,627	6,987	5,750	5,188	419	290	312	57	-	-	9,108	12,522
Own products sales	33,667	35,342	80,774	83,302	120,919	115,113	1,042	902	709	2,918	237,111	237,577
Total revenue	36,294	42,329	86,524	88,490	121,338	115,403	1,354	959	709	2,918	246,219	250,099
Profit (loss) before taxes*	(1,886)	1,436	21,284	8,382	25,510	41,268	524	(1,078)	(10,877)	(69,047)	34,555	(19,039)

* 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 30 September 2012 and 2011, respectively:

	Company											
	Injectables		Tablets		Ointments		Eye drops, syringe		Unallocated		Total	
	3Q 2012	3Q 2011	3Q 2012	3Q 2011	3Q 2012	3Q 2011	3Q 2012	3Q 2011	3Q 2012	3Q 2011	3Q 2012	3Q 2011
Toll manufacturing sales	1,018	1,860	925	298	-	-	312	57	-	-	2,255	2,215
Own products sales	4,963	5,545	4,654	4,336	1,313	1,400	1,449	1,308	2	183	12,381	12,772
Total revenue	5,981	7,405	5,579	4,634	1,313	1,400	1,761	1,365	2	183	14,636	14,987
Profit (loss) before taxes*	(2,790)	(3,447)	738	(1,087)	607	(34)	130	(1,038)	(7,069)	1,747	(8,384)	(3,859)

* 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 cannot 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 30 September 2012 and 2011 detailed below:

Group						
	Toll manufacturing sales		Own products sales		Total	
	3Q 2012	3Q 2011	3Q 2012	3Q 2011	3Q 2012	3Q 2011
Poland	491	482	112,153	143,381	112,644	143,863
Russia	-	-	75,307	48,494	75,307	48,494
Ukraine	-	-	12,168	8,502	12,168	8,502
Lithuania	-	-	11,354	11,718	11,354	11,718
Czech Republic	-	-	4,873	4,798	4,873	4,798
Slovakia	-	-	4,070	4,620	4,070	4,620
Bulgaria	-	-	4,041	3,578	4,041	3,578
Germany	3,524	3,806	-	-	3,524	3,806
Kazakhstan	-	-	3,102	1,580	3,102	1,580
Latvia	2,281	6,665	587	648	2,868	7,313
Hungary	-	-	1,801	1,960	1,801	1,960
Vietnam	-	-	1,790	1,647	1,790	1,647
Georgia	-	-	1,483	4,581	1,483	4,581
Switzerland	1,116	912	-	-	1,116	912
Uzbekistan	-	-	1,022	508	1,022	508
Belarus	-	-	471	1,042	471	1,042
Kyrgyzstan	-	-	430	72	430	72
Great Britain	418	273	-	-	418	273
USA	346	158	-	-	346	158
Moldova	-	-	137	214	137	214
Unallocated	932	226	2,322	234	3,254	460
	9,108	12,522	237,111	237,577	246,219	250,099

The Company						
	Toll manufacturing sales		Own products sales		Total	
	3Q 2012	3Q 2011	3Q 2012	3Q 2011	3Q 2012	3Q 2011
Lithuania	-	-	11,354	11,718	11,354	11,718
Latvia	1,019	1,860	587	648	1,606	2,508
Germany	1,106	355	-	-	1,106	355
Poland	-	-	440	406	440	406
Netherlands	130	-	-	-	130	-
	2,255	2,215	12,381	12,772	14,636	14,987

4. Administrative expenses

The Group and the Company administrative expenses increased in the second and third quarter in 2011 due to one-off expenses related to company shares sale, mainly transaction consulting services, compensation to the Group and the Company management and Valeant Group integration related costs.

5. Financial activity, net

	Group		The Company	
	January – September 2012	January – September 2011	January – September 2012	January – September 2011
Interest income	961	10	399	-
Fines and overdue interests	271	-	271	-
Other financial income	-	-	-	39,480
	1,232	10	670	39,480
Interest (expenses)	(12,601)	(6,659)	(3,984)	(1,196)
Foreign currency exchange (loss), net	(8,477)	(15,113)	(4,242)	(2,392)
Cash outflows for financial instruments	-	(4,168)	-	-
Other financial (expenses)	(8)	(60)	(4)	(35)
	(21,086)	(26,000)	(8,230)	(3,623)

As at 15 June 2011 the General shareholders meeting of the Company subsidiary Jelfa SA declared PLN 45,003 thousand (LTL 39,480 thousand) dividends. LTL thousand 21,698 thousand were settled with the Company payables to the subsidiary. The remaining LTL 17,782 thousand amount became due as at 1 January 2012.

6. Income tax

	Group		The Company	
	January – September 2012	January – September 2011	January – September 2012	January – September 2011
Current year income tax	(7,547)	(7,592)	-	-
Prior year current income tax correction	(102)	718	-	-
Deferred tax income (expenses)	1,275	1,540	1,271	778
Income tax (expenses) benefit charged to the profit and loss	(6,374)	(5,334)	1,271	778

7. Property, plant and equipment

During the period ended 30 September 2012, the Group acquired non-current fixed assets with a cost of LTL 7,594 thousand (for the period ended 30 September 2011 – LTL 3,449 thousand). Assets with a net book value of LTL 417 thousand were disposed and written off by the Group during the first nine months of the year 2012 (for the period ended 30 September 2011 – LTL 34 thousand), resulting in a net gain on disposal and write-off of LTL 102 thousand (for the period ended 30 September 2011 net gain of LTL 17 thousand).

During the period ended 30 September 2012, the Company acquired non-current fixed assets with a cost of LTL 375 thousand (for the period ended 30 September 2011 – LTL 283 thousand). Assets with a net book value of LTL 100 thousand were disposed and written off by the Company during the period ended 30 September 2012 (for the period ended 30 September 2011 – LTL 1 thousand), resulting in a net loss on disposal and write-off of LTL 28 thousand (for the period ended 30 September 2011 – net gain of LTL 16 thousand).

8. Intangible assets

During the period ended 30 September 2012 the Group acquired non-current intangible assets with a cost of LTL 397 thousand (for the period ended 30 September 2011 – LTL 4,465 thousand). Assets with a net book value of LTL 357 thousand were written off by the Group during the period ended 30 September 2012 (for the period ended 30 September 2011 the Group has written off non-current intangible assets with a net book value of LTL 16 thousand), resulting in a net loss on write-off of LTL 357 thousand (for the period ended 30 September 2011 – LTL 16 thousand).

During the period ended 30 September 2012 the Company acquired non-current intangible assets with a cost of LTL 15 thousand (for the period ended 30 September 2011 – LTL 220 thousand). Assets with a net book value of LTL 351 thousand were written off by the Company during the period ended 30 September 2012 (for the period ended 30 September 2011 the Company has written-off intangible assets with a net book value of LTL 16 thousand), resulting in a net loss on write-off of LTL 351 thousand (for the period ended 30 September 2011 – LTL 16 thousand).

9. Loans

As at 19 August 2011 the Company received the loan from parent company Valeant Pharmaceuticals International, Inc. which was denominated in US dollars (USD 17,311 thousand). Though the maturity date of this loan was 19 August, 2014, the loan was covered fully on May 17, 2012, as the Company received the loan denominated in Polish zloty (PLN 42,000 thousand) from associate company Valeant IPM sp. z o.o. with maturity date 60 days after the Notice from the lender.

In August and September in 2011 the Company also received loans from Valeant group companies: 2 loans in amount of PLN 15,000 thousand each (in total LTL 24,460 thousand) from ICN Polfa Rzeszow S.A. and one loan from Valeant IPM sp. z o.o. in amount of PLN 25,000 thousand (LTL 20,736 thousand). The mentioned loans were used to finance the transaction costs, related to the sale of Company shares and also to repay the Company's remaining LTL 17,702 thousand loan to „Swedbank”, which was fully covered on September 23. One of the loans received from ICN Polfa Rzeszow S.A. was repaid on 23rd April, 2012, after Jelfa S.A. paid its loan to the Company,

All the loans held by the Company as at 30 September 2012 were repayable in the sixtieth day after the lender notice and bear 3 months WIBOR + 3% annual interest rate.

10. Related party transactions

In the period ended 30 September 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 SA (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 30 September 2012 and related balances as at 30 September 2012 were as follows:

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
The Company's transactions				
Jelfa S.A.	1,468	1,558	-	144
Sanitas Pharma a.s.	-	50	-	-
The Company's and the Group's transactions				
Valeant Pharmaceuticals International, Inc.	-	720	-	-
ICN Polfa Rzeszow S.A.	-	900	-	6,541
PharmaSwiss, UAB	-	3,384	-	1,075
Valeant IPM sp. z o.o.	-	2,390	-	58,785
The Group's transactions				
ICN Polfa Rzeszow S.A.	121,406	7,621	15,990	125,903
PharmaSwiss, SA	3,908	-	1,291	72
Valeant North America	-	215	-	409
Valeant IPM sp, z o,o	1,001	47,080	107	23,283
Valeant Polska S.A.	222	-	204	-

The Group's and the Company's transactions with related parties in the period ended 30 September 2011 and related balances as at 30 September 2011 were as follows:

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
The Company's transactions				
Jelfa S.A.	4,024	6,917	23,530	1,837
Sanitas Pharma a.s.	11	432	-	294
The Company's and the Group's transactions				
Valeant Pharmaceuticals International, Inc.	-	251	-	33,614
ICN Polfa Rzeszow S.A.	-	109	-	23,445
Valeant IPM sp. z o.o.	-	136	-	19,583
Acena, UAB	-	28	-	-
Invalda, AB	-	3	-	-
The Group's transactions				
ICN Polfa Rzeszow S.A.	-	44	-	-