

KPMG Auditores, S.L.
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Auditors' Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the sole shareholder of
Laboratorios Ranbaxy, S.L. (Sociedad Unipersonal)

1. We have audited the annual accounts of Laboratorios Ranbaxy, S.L. ("the Company"), which comprise the balance sheet at 31 December 2013, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes. The Directors are responsible for the preparation of these annual accounts in accordance with the financial reporting framework applicable to the entity, specified in note 2 to the accompanying annual accounts and, in particular, with the accounting principles and criteria set forth therein. Our responsibility is to express an opinion on these annual accounts taken as a whole, based on our audit. Except for the matters describe in paragraphs 2 and 3, we conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain, which requires examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts and evaluating whether their overall presentation, the accounting principles and criteria used and the accounting estimates made comply with the applicable financial reporting framework.

2. The Company has recognised goodwill with a carrying amount of Euros 3,838,674 under intangible assets in the balance sheet at 31 December 2012. This goodwill arose on the merger by absorption in 2007 described in note 1 to the accompanying annual accounts, which has been fully impaired in 2013. As the Company did not provide us with financial budgets or projections that would have enabled us to evaluate the recoverability of this goodwill at the end of the prior year, causing our auditors' report on the accounts for the year ended 31 December 2012 to be qualified in this respect, we are unable to conclude as to the reasonableness of the impairment recognised in the income statement for 2013, which could have been necessary to recognise in prior years.

3. As specified in note 13 to the accompanying annual accounts, current provisions at 31 December 2013 include Euros 366,930 corresponding to a provision for returns calculated based on the application of generic percentages to sales for the year then ended. In this respect, due to the change in the business model in 2013 described in note 2 to the annual accounts, the Company does not have sufficient historical information to enable us to conclude as to the reasonableness of the key assumptions used to calculate this provision.

4. The accompanying annual accounts do not include details of interests held by the directors and their related parties in companies with identical, similar or complementary statutory activities to that of the Company and positions held, as well as any duties and activities performed in such companies, in accordance with prevailing legislation. The notes to the annual accounts also fail to disclose all the information required by prevailing legislation regarding late payments to suppliers. Our audit opinion on the annual accounts for the year ended 31 December 2012 was also qualified in this respect.

5. In our opinion, except for the effects of any such adjustments as might have been considered necessary had there not been the scope limitations described in paragraphs 2 and 3 above, and except for the effects of the matter derived from the omission of information indicated in the preceding paragraph, the accompanying annual accounts for 2013 present fairly, in all material respects, the equity and financial position of Laboratorios Ranbaxy, S.L. at 31 December 2013, its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria set forth therein.

6. The accompanying directors' report for 2013 contains such explanations as the Directors consider relevant to the situation of Laboratorios Ranbaxy, S.L., its business performance and other matters, and is not an integral part of the annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the annual accounts for 2013. Our work as auditors is limited to the verification of the directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Company.

KPMG Auditores, S.L.

(Signed on the original in Spanish)
Luis Isidro Vidal Puig
29 May 2014