



SUN Farmacêutica do Brasil Ltda.

Financial Statements

as of March 31, 2015 and 2014

Content

Independent Auditors' Report

Balance Sheet

Profit and Loss Statement

Statement of Changes in Shareholders' Equity

Statement of Cash Flow

Accompanying Notes to the Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members and Executive Board of

SUN Farmacêutica do Brasil Ltda.

Goiânia - State of Goiás

1. We have examined the financial statements of **SUN Farmacêutica do Brasil Ltda.** that comprise the balance sheet as of March 31, 2015 and the respective profit and loss statements, statements of change in shareholders' equity and cash flow statement for the fiscal year ended on that date, as well as the summary of the principal accounting practices and other accompanying notes.

Responsibility of the Management for the Financial Statements

2. The company management is responsible for the preparation and adequate presentation of the financial statements in accordance with the accounting practices adopted in Brazil, as well as for the internal controls that it has determined as necessary to allow for the preparation of these financial statements free from relevant distortions, regardless whether caused by fraud or mistake.

Responsibility of the Independent Auditors

3. It is our responsibility to express an opinion about these financial statements based on our audit conducted in accordance with the Brazilian and international audit standards. Those standards require the compliance with ethical requirements by the auditor and that the audit be planned and conducted with the purpose of obtaining reasonable certainty that the financial statements are free from relevant distortions.

4. An audit involves the execution of select procedures to obtain evidence with regard to the amounts and publications presented in the financial statements. The selected procedures depend on the auditor's discretion, including risk assessment, relevant distortion in the financial statements, regardless whether caused by fraud or error. In such risk assessment, the auditor considers the relevant internal controls for the preparation and adequate presentation of the financial statements of the Entity to plan the audit procedures that are appropriate under the circumstances, but not in order to express an opinion on the effectiveness of such internal controls of the Entity. An audit also includes the appraisal of the adjustment, as well as the appraisal of the financial statements drawn up together.

5. We believe that the evidence obtained in the audit is sufficient and appropriate to serve as grounds for our opinion.

Opinion

6. In our opinion, the financial statements adequately present, in all relevant aspects, the equity and financial position of **SUN Farmacêutica do Brasil Ltda.**, on March 31, 2015, the performance of its operations and its cash flow for the fiscal year ended on that date, in accordance with the accounting practices adopted in Brazil.

Other Matters

7. During the fiscal year ended on March 31, 2015, the Company featured Unsecured Liabilities in the amount of R\$ 84,696,637. The financial statements were prepared under the presumption that the Company will continue its normal operations, and, in that sense, the financial statements do not include any adjustments to the Assets or Liabilities accounts that might be required in the case of a potential discontinuation of the operations. Attenuating the situation is also the fact that of the total current and non-current liabilities of R\$ 109,564,621, 88.5% are obligations towards Parent Companies / Related Parties, whereby the remaining liabilities are perfectly supported by the current liquidity ratio of 1.042.

8. The company engages in international commercial transactions with the parent company, in connection with the supply of products and goods, and has been doing so in previous fiscal periods. For such transactions, the Brazilian tax legislation requires necessary and specific procedures for the calculation and determination of the Transfer Prices, aiming at the ascertainment of any additional income tax. The management is proceeding with this demand, but for the closing of March 2015 it was not possible to reasonably determine the potential degree of risk due to the non-adoption of the Transfer Price calculation, and this might or might not represent a significant tax contingency in the future.

São Paulo, April 17, 2015.



Enrolled with the Regional Accounting Board - São Paulo Chapter ("CRC-SP") under No. 2SP021055/O-1

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Paulo Cesar R. Peppe

Enrolled with the Regional Accounting Board - São Paulo Chapter ("CRC-SP") under No. 1SP095009/O-5

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Helio Marcio Rodrigues Gomes

Enrolled with the Regional Accounting Board - São Paulo Chapter ("CRC-SP") under No. 1SP195873/O-2



SUN Farmacêutica do Brasil Ltda.

Balance Sheet
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

ASSETS	Notes	3/31/2015	3/31/2014	LIABILITIES and NET EQUITY	Notes	3/31/2015	3/31/2014
CURRENT				CURRENT			
Cash and cash equivalents	4	2,537,109	2,453,084	Loans and financing	10	509,850	467,326
Accounts receivable from customers	5	2,920,128	3,553,583	Suppliers	11	9,499,401	9,090,203
Stock	6	6,160,638	13,575,222	Social charges	12	1,172,985	1,321,390
Taxes recoverable		184,696	266,725	Tax obligations	13	1,035,616	743,886
Prepaid expenses		26,426	9,527	Other accounts payable		108,363	100,299
Other credits	7	1,010,199	534,060				
				Total current liabilities		12,326,214	11,723,104
Total current assets		12,839,195	20,392,201				
NON-CURRENT				NON-CURRENT			
Long-term Receivables				Long-term Liabilities			
Other credits		51,900	23,400	Loans and financing	10	339,900	892,238
				Obligations towards related parties	14	96,869,707	63,016,226
				Other long-term obligations		28,800	-
		51,900	23,400				
Property, Plant and Equipment	8	11,931,218	12,839,432	Total non-current liabilities		97,238,407	63,908,463
Intangible Assets	9	45,672	42,419				
				NET EQUITY			
		11,976,889	12,881,851	Capital stock	16	5,573,482	5,573,482
Total non-current assets		12,028,789	12,905,251	Accumulated losses		(90,270,119)	(47,907,597)
Total Assets		24,867,984	33,297,453	Total net equity		(84,696,637)	(42,334,115)
				Total Liabilities and Net Equities		24,867,984	33,297,453

The accompanying notes are an integral part of the Financial Statements



SUN Farmacêutica do Brasil Ltda.

Profit and Loss Statement
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

		3/31/2015	3/31/2014
Net operating revenues	19	21,213,725	24,060,493
(-) Costs for products sold		(17,902,060)	(21,389,617)
Net profit		3,311,665	2,670,876
Operating expenses and revenues		(9,767,249)	(12,077,369)
Administrative and commercial expenses		(1,909,822)	(141,880)
Other operating revenues			(141,880)
Earnings before financial expenses and revenues		(8,365,406)	(9,548,373)
Financial expenses and revenues			
Financial expenses	20	(38,232,667)	(20,098,962)
Financial revenues	20	4,235,551	10,428,624
Total financial expenses and revenues		(33,997,116)	(9,670,339)
Earnings before income tax and social contribution		(42,362,522)	(19,218,712)
Net profit / loss of the fiscal year		(42,362,522)	(19,218,712)
Amount of capital units of interest		5,573,482	5,573,482
Result per unit of interest (R\$)		(7.60)	(3.45)
The accompanying notes are an integral part of the Financial Statements			



SUN Farmacêutica do Brasil Ltda.

Statement of Changes in Shareholders' Equity
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

		Paid-up Capital Stock	Accumulated Income	Total
Balance on March 31, 2013 (adjusted)		5,573,482	(28,688,885)	(23,115,403)
Net result of the fiscal year ended on 3/31/2014	-		(19,218,712)	(19,218,712)
Other Comprehensive Income				
- None	-	-	-	-
Balance on Monday, March 31, 2014		5,573,482	(47,907,597)	(42,334,115)
Net result of the fiscal year ended on 3/31/2015		-	(42,362,522)	(42,362,522)
Other Comprehensive Income				
- None		-	-	-
Balance on 31 March, 2015		5,573,482	(90,270,119)	(84,696,637)
The accompanying notes are an integral part of the Financial Statements				



SUN Farmacêutica do Brasil Ltda.

Cash Flow Statement
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

	3/31/2015	3/31/2014
Cash flow from operations:		
Earnings before income tax and social contribution	(42,362,522)	(19,218,712)
Items not affecting the cash:		
Write-off of fixed assets	-	35,390
Depreciations and amortizations	1,472,796	1,300,363
Inflation adjustment and interest on loans - non-current liabilities	31,075,283	9,143,122
	(9,814,443)	(8,739,835)
Variations to the Current Assets and Long-term Receivables		
Accounts receivable from customers	633,455	1,975,475
Stock	7,414,584	(4,641,603)
Taxes recoverable	82,029	162,977
Prepaid expenses	(16,899)	(75)
Other credits	(476,139)	53,935
Other credits - non-current	(28,500)	(23,400)
	7,608,531	(2,472,690)
Variance in the Current Liabilities and Long-term Liabilities		
Suppliers	409,198	4,413,781
Social charges	(148,405)	(349,690)
Tax obligations	291,729	123,648
Other accounts payable	36,863	(46,985)
	589,386	4,140,754
Total Operating Activities	(1,616,527)	(7,071,772)
Investment Activities		
Acquisition of intangible assets	(23,107)	(9,551)
Acquisition of fixed assets	(544,727)	(1,436,556)
Total Investment Activities	(567,834)	(1,446,107)
Financing Activities		
Loans and financing - current liabilities	42,524	(42,524)
Loans and financing - non-current liabilities	(552,338)	(467,561)
Related parties	2,778,199	10,820,360
Net Funds Used in Financing Activities	2,268,386	10,310,275
Total Cash Flow Effects	84,025	1,792,397
Cash and Cash Equivalents Variance		
Final cash and cash equivalents balance	2,537,109	2,453,084
Opening cash and cash equivalents balance	2,453,084	660,688
Cash Variance	84,025	1,792,397
The accompanying notes are an integral part of the Financial Statements		



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements Fiscal Years ended on March 31, 2015 and 2014 (in Reais)

1 - Operating Context

SUN Farmacêutica do Brasil Ltda., founded on April 10, 2002, has its head office in the city of Goiânia - State of Goiás. Its corporate purpose is the manufacture, import, export and trade of pharmaceutical products in general, as well as the import, export and distribution of pharmaceutical supplies, medical devices and similar goods.

The company has a branch in the city of São Paulo - State of São Paulo, with the corporate purpose of Administrative Office.

In November 2014, the share holders decided by mutual agreement to change the corporate name of the company from TKS FARMACEUTICA LTDA to SUN FARMACÊUTICA DO BRASIL LTDA., and it henceforth bears the assumed name: SUN FARMACÊUTICA DO BRASIL LTDA.

2 - Presentation of the Financial Statements

The financial statements have been drawn up in accordance with the Brazilian Accounting Standards, in compliance with NBC TG 1000 - Accounting for Small and Mid-size Companies, Resolution 1255/09 of the Federal Accounting Board - CFC, as well as, where applicable, with regard to the other CFC Resolutions applicable to the CPC Pronouncements and, where applicable, with due regard for the aspects of Law No. 11.638/07 and Law No. 11.941/09 and recently of Law No. 12.973/2013.

The amounts presented in the statements are expressed in Reais and a result of the accumulation of par values, in accordance with the accounting practices described in Accompanying Note No. 3.

The Company has adopted Law No. 6404/76 and its amendments introduced by Law No. 11.638/07 that modified, revoked and introduced new provisions to the Business Corporation Act. Such law principally aimed at updating the Brazilian corporate law in order to allow for the convergence process of the Brazilian accounting practices with those contained in the International Financial Reporting Standards (IFRS).

3 - Summary of the Principal Accounting Practices

a. Ascertainment of the results

The results of the company's operations are ascertained in accordance with the accounting method of the fiscal years. The product sales revenue, as well as costs and expenses are recognized in the result due to its realization.

b. Cash and Cash Equivalents

Cash and cash equivalents include money in cash, balances on checking accounts and high-liquidity financial short-term investments that are promptly convertible into a known amount of cash and bear an insignificant risk of change of market value. The financial investments are booked at cost, whereby the earnings made during the fiscal years are added, and although transactions were made in the period, at the closing date in March 2015, no balances were outstanding.



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements Fiscal Years ended on March 31, 2015 and 2014 (in Reais)

c. Financial Instruments

The financial instruments are only recognized from the date on which the company becomes part of the contractual provisions of the financial instruments. When recognized, they are initially booked at their fair value plus transaction costs that are directly attributable to their being acquired or taken out. On March 31, 2015, the book value of the financial instruments of the company, represented mainly by availabilities, accounts receivable from customers, accounts payable to suppliers and loans taken out from financial institutions and affiliates, are equivalent to their market value. The company does not make use of financial instruments in index exchange (SWAP) transactions or that involve Risk Derivatives transactions.

d. Conversion from Foreign Currencies

The Management of the company has defined that its functional currency is the Real, in accordance with the standards described in NBC TG 1000 - Accounting for Small and Mid-size Companies, Section 30 - Effects on the Changes in Exchange Rates and Conversion of Financial Statements.

Transactions in foreign currency, that means all those that are not carried out in the functional currency, are converted according to the exchange rate on the dates of each transaction. Monetary liabilities expressed in a foreign currency are converted to the functional currency according to the exchange rate on the closing date. The gains and losses due to exchange rate variations concerning the monetary assets and liabilities are recognized in the profit and loss statement.

e. Accounts Receivable from Customers

The accounts receivable from customers are assessed at the billed amount, including the respective taxes, and deducted from the adjustment to cover potentially non-performing credits from those accounts receivable.

The adjustment for doubtful loans is set forth based on the balance of securities overdue for over 6 months. The management of the company creates adjustments for doubtful loans only in order to cover risks of potential losses; therefore, this does not reflect the absolute incapacity of receipt. The balance on the date of the balance sheet is considered sufficient to cover potential losses when realizing amounts receivable from customers and other credits, taking into consideration the analysis of the outstanding transactions, of the existing bonds and of the specific risks presented.

f. Stock

The expenses for material purchases are controlled in the stock at average cost and do not exceed the replacement cost or the net realizable value. The stock costs for products being processed and finished products include, in addition to the average costs of the used raw material, the general manufacturing expenses as well as labor in the processing, and the depreciation charges of the machines used in the process according to the absorption criterion.



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements Fiscal Years ended on March 31, 2015 and 2014 (in Reais)

g. Property, Plant and Equipment

The Fixed Assets (Property, Plant and Equipment) are booked at acquisition or construction cost, net of accumulated depreciations. The depreciations are calculated according to the straight-line method over the acquisition or construction cost, in accordance with the estimated useful life time of the assets, depending on their usage, in accordance with the rates disclosed in Accompanying Note No. 8. Gains and losses in disposals are determined by the comparison of the sales amounts with the book values and are booked as other revenues / operating expenses.

Repair and maintenance costs are expensed during the period in which they are incurred. The costs of the principal acquisitions is included in the book value of the asset in the moment in which it is likely that the future economic benefits that exceed the performance standard initially assessed for the existing asset will flow towards the company. The principal renovations are depreciated during the remaining useful life of the related asset.

h. Intangible Assets

Made up of amounts spent on trademarks and patents and on the acquisition of software licenses of use. The latter have been amortized at an annual rate of 20%.

i. Reduction of the Recoverable Amount of the Assets - Section 27, NCB TG 1000 - Accounting for Small and Mid-size Companies

Aims at ensuring that the assets are not booked at a value higher than the one that will be recovered in time by the use of the operations of the entity or in its potential sale. The company deemed that it would not be necessary to conduct impairment tests and, therefore, losses due to recognizable devaluation were not ascertained.

j. Loans and Financing

Financial charges and inflation adjustments of the loans are booked depending on the time elapsed and ascertained in accordance with the terms of the contracts. Mainly made up of contracts aiming at the extension of the production capacity, as well as at modernization and in order to meet working capital needs.

k. Labor Provisions and Charges

On the balance date, the provision for vacations was made based on the rights acquired by the employees, including the corresponding social charges.

I. Income Tax and Social Contribution

The corporate income tax and the social contribution are calculated based on net profit, and suspended or reduced, for which the applicable legislation is considered for calculation purposes and the rates of 15% plus 10% on the calculation base excessive of R\$ 240,000 for



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

income tax and 9% for the social contribution are applied. In view of the losses of the fiscal year, the company did not pay taxes.

m. Other Assets and Liabilities

An asset is recognized in the balance sheet when it is likely that its future economic benefits will be generated in favor of the company and its cost or value can be measured with certainty.

The current and non-current liabilities are stated at their known or calculable values plus, where applicable, the corresponding charges and monetary variations until the date of the balance sheet.

The provisions are recorded based on the best estimates of the risk involved. The financial statements, thus, include various estimates based on objective and subjective factors, depending on the judgment of the management for the determination of adequate values to be booked. The settlement of transactions involving such estimates may result in amounts diverging from those booked in the financial statements due to imprecision inherent to the value determination process, which is why the management periodically reviews such estimates and premises.

Estimates and premises are used in the selection of the useful lives of the property, plant and equipment for the creation of the adjustment to the potential risk that their accounts receivable might not be realized, as well as in the analysis of the other risks for the determination of other provisions, including for contingent and other similar liabilities, in addition to the assessment of the financial instruments and other assets and liabilities on the date of the balance sheet.

The realizable rights and liabilities falling due are classified as Current when their realization or settlement occurs within the twelve months subsequent to the date on which the financial statements are presented. Otherwise, they are stated as Non-current.

4 – Cash and Cash Equivalents

	2015	2014
Cash - in Reais	2,320	3,579
Banks - deposit account	2,534,789	2,267,148
Financial investments	0	182,357
Total	2,537,109	2,453,084

5 –Accounts Receivable from Customers

	2015	2014
Accounts receivable - domestic customers	3,800,904	4,232,382
(-) Provision f/ doubtful loans	-880,776	-678,799
Total	2,920,128	3,553,583



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

On 3/31/2015, the total gross value of the Bills Receivable of the company was distributed by due dates:

<u>Falling Due</u>	<u>R\$</u>
Within up to 30 days	1,290,906
between 31 and 60 days	604,722
between 61 and 90 days	67,294
91 days and more	14,000
Sub-total	1,976,922
<u>Overdue</u>	
Within up to 30 days	820,618
between 31 and 60 days	25,782
between 61 and 90 days	34,201
between 91 and 180 days	62,605
180 days and more	880,776
Sub-total	1,823,982
Grand Total	3,800,904

6 – Stock

	2015	2015
Raw material	2,121,745	6,307,834
Packaging material	882,482	1,038,695
Finished products	2,165,916	1,041,861
Products for resale	1,499,144	4,780,151
Consumer goods	145,079	178,661
Imported products - samples	132,138	169,089
Stock in the possession of third parties	-	58,931
(-) Adjustm. Net. Real. Value (a)	-707,808	-
(-) Adjustm. Recov. Value Est. Obsolete (b)	-78,058	-
Total	6,160,638	13,575,222

The balance stated in the accounts above identified as (a) - overdue stock; and (b) - stock to fall due in the next 6 months. The management has made the adjustment and awaits the authorization of the National Health Surveillance Agency ("Anvisa") so that they can be burnt.

7 – Other Credits

	2015	2014
Advance payments to employees	2,325	12,411
Advance payments to suppliers	954,196	406,837
Other credits	53,678	114,812
Total	1,010,199	534,060



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

Balance principally made up of advance payments to foreign suppliers relating to the purchase of raw material and medicals for resale.

8 – Property, Plant and Equipment

Description	Rate Annual Deprec.	Infl.adj. Cost	(-) Accumulated Deprec.	2015	2014
				Total	Balance Previous
Lands		118,000	-	118,000	118,000
Buildings	4%	6,501,201	-1,366,388	5,134,813	5,394,861
Facilities	10%	1,174,243	-454,460	719,783	837,207
Mach. Equipm. IT	20%	492,168	-291,215	200,953	252,007
Vehicles	20%	312,215	-75,878	236,337	168,215
Mach. Equipm. Production	10%	7,421,944	-2.817,287	4,604,657	5,212,344
Furniture and Utensils	10%	359,898	-124,132	235,766	236,542
Administrative Facilities	10%	145,411	-89,090	56,321	69,069
Tools, Devices	20%	849,950	-384,868	465,082	517,257
Mach. and Equipm. ongoing		159,506	-	159,506	33,930
Total Property Plant and Equipment		17,534,536	-5,603,318	11,931,218	12,839,432

The development of the balances of the property, plant and equipment accounts in the period from April 1, 2014 to March 31, 2015 was as follows:

Detailed Cost Column

Description	Useful Life (in years)	Cost Development			balance 03/2015
		Opening Balance	(+) In	(-) Out	
Lands	-	118,000	-	-	118,000
Buildings	25	6,501,201	-	-	6,501,201
Facilities	10	1,174,243	-	-	1,174,243
Mach. Equipm. IT	5	463,406	28,762	-	492,168
Vehicles	5	195,800	116,415	-	312,215
Mach. Equipm. Production	10	7,217,186	204,758	-	7,421,944
Furniture and Utensils	10	325,919	33,979	-	359,898
Administrative Facilities	10	143,359	2,052	-	145,411
Tools, Devices	20	816,765	33,185	-	849,950
Mach. and Equipm. ongoing	-	33,930	125,576	-	159,506
Total Property Plant and Equipment		16,989,809	544,727	-	17,534,536

Detailed Depreciation Column



SUN Farmacêutica do Brasil Ltda.

**Accompanying Notes to the Financial Statements
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)**

Depreciation Development					
Description	Annual Deprec. Rate	Opening Balance	(+) In	(-) Out	Balance 03/2015
Buildings	4%	1,106,340	260,048	-	1,366,388
Facilities	10%	337,036	117,424	-	454,460
Mach. Equipm. IT	20%	211,399	79,817	-	291,216
Vehicles	20%	27,585	48,293	-	75,878
Mach. Equipm. Production	10%	2,004,843	812,443	-	2,817,286
Furniture and Utensils	10%	89,377	34,755	-	124,132
Administrative Facilities	10%	74,290	14,800	-	89,090
Tools, Devices	20%	299,507	85,361	-	384,868
Total Depreciation		4,150,377	1,452,941	-	5,603,318

9 – Intangible Assets

Description	Annual Amort. Rate	Infl.adj. Cost	(-) Accumulated Amortization	2015	2014
				Total	Previous Balance
Appliance Systems	20%	112,431	-74,584	37,847	34,594
Trademarks and Patents		7,825	-	7,825	7,825
Total Intangible Assets		120,256	-74,584	45,672	42,419

The development of the balances of the intangible asset accounts in the period from April 1, 2014 to March 31, 2015 was as follows:

Detailed Cost Column

Description	Useful Life (in years)	Cost Development			balance 03/2015
		Opening balance	(+) In	(-) Out	
Appliance Systems	5	89,324	23,107	-	112,431
Trademarks and Patents	-	7,825	-	-	7,825
Total Intangible Assets		97,149	23,107	-	120,256

Detailed Amortization Column

Description	Annual Deprec. Rate	Opening Balance	Depreciation Development		Balance 03/2015
			(+) In	(-) Out	



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

Appliance Systems	20%	54,730	19,854	-	74,584
Total Depreciation		54,730	19,854	-	74,584

10 – Loans and Financing

			2015		2014	
			Current	No	Current	No
Domestic Institutions	Maturity	Charges	Current	Current	Current	Current
Banco do Brasil S.A. - OK	12/1/2016	100% p.y.	509,850	339,900	467,326	892,238
Loans and Financing			509,850	339,900	467,326	892,238

Destination of the funds raised in national currency

The funds raised from Banco do Brasil S.A. are mainly destined for the acquisition of equipment and extension and modernization works of the production. The contracts represented by an Industrial Credit Bill (Constitutional Funds, CF) are secured by properties owned by partners of SUN Farmacêutica do Brasil Ltda.

11 – Suppliers

	2015	2014
Domestic Suppliers	528,764	434,114
Foreign Affiliate Suppliers	8,970,637	8,656,089
Total	9,499,401	9,090,203

12 – Social Charges

	2015	2014
Wages and Salaries	311,451	444,975
Unempl. Comp. Fund ("FGTS") payable	81,956	9,275
Natl. Soc. Sec. Inst. ("INSS") payable	178,192	244,223
Pens. Contr. over Turn.	7,088	-0
Contract terminations payable	-	15,908
Christmas bonus payable	109,220	308,978
Vacation bonus payable	485,078	297,678
Support	-	353
Total	1,172,985	1,321,390



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

13 – Tax Obligations

	<u>2015</u>	<u>2014</u>
Goods and Services Circulation Tax (“ICMS”) payable	-	-
Withholding Tax on payroll	102,790	8,378
Others / Produzir (*)	932,826	735,508
Total	1,035,616	743,886

(*) On August 28, 2006, the then TKS Farmacêutica Ltda., currently Sun Farmacêutica do Brasil Ltda., executed the Special Regime Agreement with the Government of the State of Goiás for the implementation of a special credit for investments in the extension of its industrial plant located in Goiânia. This tax incentive program of the Government of Goiás that aims at the reduction of the ICMS is called "PRODUZIR". In order to use this program, the beneficiary shall present industrial projects aiming at the expansion of the production capacity and at the generation of direct and indirect jobs.

Produzir is the Program of the Government of the State of Goiás that provides an incentive for the deployment, expansion or revitalization of industries, stimulating investment, technological renovation and the increase of state competitiveness focusing on creation of jobs, income and reduction of the social and regional inequalities.

Works as funding with monthly installments of 73% of the Goods and Service Circulation Tax ("ICMS") due by the beneficiaries, making the production cost cheaper and their products more competitive on the market.

Everything that accumulates during a year of fruition will have a grace period of one year for payment. In the moment the accounts are settled, the discount factors shall be applied by means of audits, whereby the loan may be reduced (released) by up to 100%.

In order for the company to request the release of the balance due it shall record a request for a release audit with the Commissioner of PRODUZIR / FOMENTAR. The request shall be addressed to the Chairman of the Executive Commission of the Decision-Making Board of the PRODUZIR / FOMENTAR Program, on paper with the letterhead of the company, characterizing it in the best way possible.

The monthly assessed tax is booked, and annually a rendering of accounts process is set up that may result in the total or partial release of the tax due in the period. In this case, the calculated difference shall be paid.

14 – Transactions with Related Parties

	<u>Non-current Liabilities</u>	
	<u>2015</u>	<u>2014</u>
<u>Loans</u>		
- Alkaloida Chemical ZRT	93,916,889	60,933,237



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements Fiscal Years ended on March 31, 2015 and 2014 (in Reais)

- Sun Global Pharmaceutical Industries	2,952,818	2,082,989
Total	96,869,707	63,016,226

On March 31, 2015, the outstanding balance in US Dollar (US\$) towards Alkaloida was made up of the amount of US\$ 27,810,807.10 with an interest rate of 5.36 p.y., normally the amounts due are renegotiated.

The balance due to Sun Global on March 31, 2015, amounts to US\$ 920,454.54; no interest is set forth, and at each maturity date renegotiations take place with the extension of the initial period of time.

In the period from April 1, 2014 to March 31, 2015, the members made loans to increase the cash flow of SUN PHARMA. The partner Alkaloida Chemical ZRT has made transfers in the amount of US\$ 884,940, made up as stated below:

<u>Date</u>	<u>Amount (US\$)</u>	<u>Interest Rate</u>	<u>Maturity</u>
3/8/2015	325,000	5.36% p.y.	3/31/2019
3/19/2015	84,970	5.36% p.y.	3/31/2019
3/24/2015	474,970	5.36% p.y.	3/31/2019
TOTAL	884,940		

15 – Contingencies

Sun Farmacêutica do Brasil Ltda. is a party in lawsuits of labor and civil nature, as part of the normal course of its activities. Such contingencies are classified as likely losses.

Those lawsuits refer to actions filed by former employees that claim compensations. The labor contingency amount considers the survey conducted by our legal counselors and is mainly related to indirect terminations, salary / equal pay, pain and suffering and unhealthy work premium, compensation for occupational diseases, accidents at work and equal pay / accumulation of functions and unhealthy work.

The estimated amount is R\$ 33,000 thousand.

The company keeps a follow-up system for all administrative and court cases in which it appears as plaintiff or defendant, and, backed by the opinion of the legal counselors, classifies the actions in accordance with their likelihood of dismissal.

In this context, the civil contingencies, also assessed with a possible risk of loss, were not booked, whereby the principal cases are relating to provisional remedies, summonses, extrajudicial notifications, motions for clarification, tax deficiency notices, administrative proceedings, executions, collections, court-supervised and ordinary recoveries, in the



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements Fiscal Years ended on March 31, 2015 and 2014 (in Reais)

amount of R\$ 486,590 thousand.

16 – Net Equity

Capital Stock

The capital stock in the amount of R\$ 5,573,482 (R\$ 5,573,482 in 2015), totally subscribed and paid up, is represented by 5,573,482 units of ownership with a par value of one Real (R\$ 1.00) each and distributed as follows:

Subscribed Capital Stock

Partners	Country of Origin	Amount	
		3/31/2015	%
Alkaloida Chemical Company ZRT	Hungary	5,550,000	99.58
Sun Pharma Global Inc.	India	19,463	0.35
Sun Pharmaceutical Industries Limited	India	4,019	0.07
		5,573,482	100.00

The capital was registered with the Brazilian Central Bank in order to enable the company to transfer profits abroad and to repatriate the foreign capital invested.

17 – Financial Instruments

(i) Identification and Valuation of the Financial instruments.

The book balances of financial instruments, such as availabilities, accounts receivable, taxes recoverable, loans and financing, are substantially close to their correspondent market values, when compared to the amounts that could be obtained when selling on the public market or, if there are none, to the adjusted net present value based on the applicable interest rate on the market.

(ii) Credit risk

Arising out of the possibility that the company might suffer losses due to default of its counter-parties or financial institutions where funds or financial investments are deposited. In order to mitigate these risks, the company analyzes the financial and equity situations of its operations, it also defines credit limits and permanently follows up on the open positions. With regard to financial institutions, the Management only carries out transactions with reputable and low-risk financial institutions, rated by rating agencies.

(iii) Price Risk of the Goods Sold or Produced or of the Supplies Acquired

Arising out of the possibility that the market prices of the products commercialized by the company might fluctuate. Those price fluctuations may cause substantial changes to its revenues and costs. In order to mitigate those risks, the Management permanently monitors the local and international markets and tries to anticipate price movements.



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

(iv) Interest rate risk

Arising out of the possibility that the company might have gains or losses due to fluctuations of the interest rate levied on its financial assets and liabilities. In order to mitigate this type of risk, the Management strives to diversify the fund raising in terms of pre-established or free interest rates.

(v) Exchange rate risk

The associated risk arises out of the possibility that the company might suffer losses due to exchange rate fluctuations that increase the funds raised on the market. On March 31, 2015, the company had liabilities in foreign currency and had no financial instrument to hedge such exposure on that date.

(vi) Derivative Financial Instruments

The company does not make use of financial instruments in index exchange (SWAP) transactions or that involve Derivatives transactions.

18 – Insurance Coverage

The company follows the policy of taking out insurance policies for the assets subject to risks in amounts considered sufficient to cover potential accidents, considering the nature of its activity.

On March 31, 2015, the insurance coverage against operating risks was R\$ 20,910,000.

19 – Net Operating Revenues.

The net operating revenues of the fiscal year ended on March 31, 2015 are made up as follows:

	<u>2015</u>	<u>2014</u>
Gross operating revenues		
Product Sales	12,868,227	17,614,227
Merchandise Resale	12,430,614	10,595,950
	<u>25,298,841</u>	<u>28,210,177</u>
(-) Deductions from the Gross Revenue		
Canceled sales	-766,990	-552,486
Canceled resales	-1,164,184	-668,066
Disc. and rebate on resales	-338,217	-306,625
ICMS on sales	-784,116	-1,183,762
ICMS on resales	-457,255	-682,339
Other sales taxes	-574,354	-756,407
	<u>-4,085,116</u>	<u>-4,149,685</u>
Net operating revenues	<u>21,213,725</u>	<u>24,060,492</u>



SUN Farmacêutica do Brasil Ltda.

Accompanying Notes to the Financial Statements
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)

20 – Financial Revenues and Expenses

Financial revenues	2015	2014
Interest revenue	27,899	53,405
Discounts obtained	21,327	18,778
Earnings from financial investments	95,265	30,755
Exchange variance revenue	4,089,970	10,325,685
Other financial revenues	1,090	1
Total	4,235,551	10,428,624
Financial expenses	2015	2014
Interest expense	9,972	8,809
Discount expense	84,667	102,817
Interest on bank loans	84,782	138,736
Interest on loans and foreign	3,674,898	3,099,018
Banking expenses	65,136	76,268
Exchange variance expense	34,312,948	16,672,945
Other financial expenses	264	369
Total	38,232,667	20,098,962

21 – Benefits

In line with its corporate policy, the company offers the following benefits for its employees:

Meals: → The company has its own canteen and daily offers meals to its employees, where the price for each meal is R\$ 8.00 and is offset from the employee at a symbolic amount that varies between R\$ 1.00 and R\$ 2.00, according to the progressive table, internally developed and based on the salary of each collaborator;

Breakfast: → The company offers breakfast to its employees at the average unit price of R\$ 1.05 that is not deducted from the collaborator;

Transport Voucher: → The company provides transport vouchers to the collaborators for their travel from their home to work and back and discounts 6% from the salary or the actual value of the transport voucher, whatever is lower;

Medical Insurance: → The company provides for its employees a Medical Insurance Plan for the insured and his or her legal dependents; a discount is made in accordance with the discount table for the collaborator and his or her dependents (if any), that takes into consideration the category of the plan and the salary of the employee; plan costs the company R\$ 88.73 as plan with hospital ward and R\$ 149,21 as plan with apartment per collaborator, whereby the employee is charged an amount between 10% and 50% of the individual amount.

Basic Shopping Basket: → The Basic Shopping Basket is supplied to collaborators who receive a salary up to R\$ 1,114.40 and who meet criteria pre-established by the



SUN Farmacêutica do Brasil Ltda.

**Accompanying Notes to the Financial Statements
Fiscal Years ended on March 31, 2015 and 2014
(in Reais)**

company and connected to Attendance. The average cost per basic shopping basket is R\$ 60.00.

Attendance: Benefits all collaborators who have not been absent, whether or not with justification, except managers and officers. The percentage applied is 7% on the base salary of the collaborator.

22 – Approval of the Set of Financial Statements and Accompanying Notes

These Financial Statements were approved by the Management of SUN Farmacêutica do Brasil Ltda. and authorized for issue on April 17, 2015.

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