

Attachment 1.

Period:

1.1.2015

to

30.6.2015

Quarterly financial report TFI-POD

Registration number (MB): 03715957

Registration number (MBS): 040004561

Personal identification number (OIB): 20950636972

Company: JGL d.d.

Postal code and city: 51000

Rijeka

Adress: Sivilno 20

e-mail: jgl@jgl.hrInternet address: www.jgl.hr

Code and name of city: 373 Rijeka

Code and name of county: 8 Primorsko-goranska

Number of employees (at the end of the period) 989

Consolidated report: YES

NKD code: 2120

Companies in consolidation (in acc. with IFRS):

Headquarters:

MB:

Farmis d.o.o.

Sarajevo, BIH

Jadran-galenski laboratorij Beograd d.o.o.

Beograd, srbija

Jadran-galenski laboratorij Ljubljana d.o.o.

Ljubljana, Slovenija

Pablo d.o.o.

Zagreb

1162772

JGL North America LLC

New York, USA

Ljekarna(ZU) Pablo

Rijeka

1487434

Accounting:

Contact: Crnković Verica

(enter surname and name of the contact person)

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Surname and name: Huljaj Jasmin, Jakšić Dražen

(Person authorized to represent)

Documents to be published:

1. Financial reports (balance sheet, income statement, cash flow statement, changes in equity statement and notes)
2. Management report,
3. Statement of Persons Responsible for drafting reports.

M.P.

(Person authorized to represent - signature)

CONSOLIDATED BALANCE SHEET
on 30th June 2015

JGL d.d.			
Position	ADP mark	Previous period	Current period
1	2	3	4
A) RECEIVABLES FOR SHAREHOLDERS EQUITY, NON-PAID	001		
B) LONG TERM ASSETS (003+010+020+029+033)	002	507.846.603	568.111.996
I. INTANGIBLE ASSETS (004 - 009)	003	85.436.416	85.041.166
1. Expenditure for research and development	004	7.078.095	6.500.953
2. Patents, licences, concessions, trademarks, software and other rights	005	34.475.651	32.953.588
3. Goodwill	006	24.293.857	23.951.857
4. Advances on intangible assets	007		
5. Intangible assets-construction in progress	008	15.735.622	18.046.122
6. Other intangible assets	009	3.853.191	3.588.646
II. TANGIBLE ASSETS (011 - 019)	010	420.015.361	480.712.885
1. Land	011	6.991.821	6.983.129
2. Buildings	012	88.173.038	86.151.239
3. Equipment and machinery	013	108.263.118	103.535.533
4. Tools, power stock and transportation means	014	15.504.766	16.776.601
5. Biological assets	015		
6. Advances on tangible assets	016	8.252.606	1.775.718
7. Tangible assets-construction in progress	017	187.995.969	260.590.500
8. Other tangible assets	018	608.920	675.042
9. Investments in real estate	019	4.225.123	4.225.123
III. LONG TERM FINANCIAL ASSETS (021 - 028)	020	1.512.437	1.512.437
1. Shares in affiliated companies	021		
2. Loans to affiliated companies	022		
3. Participating interest	023	1.200.147	1.200.147
4. Loans to companies with participating interest	024		
5. Securities investments	025		
6. Given loans, deposits	026		
7. Other long term financial assets	027		
8. Investments (equity method)	028	312.290	312.290
IV. RECEIVABLES (030 - 032)	029	36.881	0
1. Receivables from affiliated companies	030		
2. Receivables from sales on credit	031		
3. Other receivables	032	36.881	0
V. DEFERRED TAX ASSETS	033	845.508	845.508
C) SHORT TERM ASSETS (035+043+050+058)	034	605.510.008	574.691.875
I. INVENTORIES (036 - 042)	035	204.628.316	202.499.031
1. Raw and other material	036	51.110.167	54.684.324
2. Production in progress	037	228.095	228.095
3. Finished products	038	100.558.468	97.110.019
4. Trade goods	039	23.468.072	24.449.296
5. Advances on inventories	040		
6. Long term assets for sale	041	29.263.514	26.027.297
7. Biological assets	042		
II. RECEIVABLES (044 - 049)	043	354.549.452	339.545.461
1. Receivables from affiliated companies	044		
2. Receivables from buyers	045	317.729.290	304.193.270
3. Receivables from participating companies	046		
4. Receivables from employees and subsidiaries	047	41.987	107.887
5. Receivables from government and other institutions	048	22.820.460	12.138.196
6. Other receivables	049	13.957.715	23.106.108
III. SHORT TERM FINANCIAL ASSETS (051 - 057)	050	22.677.112	4.793.032
1. Shares in affiliated companies	051		
2. Loans to affiliated companies	052	98.000	
3. Participating interest	053		
4. Loans given to companies with participating interest	054		0
5. Securities investment	055	1.006.678	893.500
6. Given loans, deposits	056	686.328	543.190
7. Other short term financial assets	057	20.886.106	3.356.342
IV. CASH AT BANKS AND IN HAND	058	23.655.128	27.854.351
D) PREPAYMENTS AND ACCRUED INCOME	059	5.760.348	4.134.101
E) TOTAL ASSETS (001+002+034+059)	060	1.119.116.959	1.146.937.972
F) OFF BALANCE SHEET ITEMS	061	352.302.753	

LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	383.704.449	350.054.721
I. CALLED UP CAPITAL	063	117.908.000	118.472.000
II. CAPITAL RESERVES	064	7.776.478	7.237.109
III. INCOME RESERVES (066+067-068+069+070)	065	13.768.790	15.598.252
1. Compulsory reserves	066	6.000.000	6.000.000
2. Reserves for treasury shares	067	8.110.811	10.740.073
3. Treasury shares (deductible)	068	2.482.800	3.282.600
4. Statutory reserves	069		
5. Other reserves	070	2.140.779	2.140.779
IV. REVALUATION RESERVES	071		
V. RETAINED PROFIT OR TRANSFERRED LOSS (073-074)	072	233.772.609	240.898.848
1. Retained profit	073	233.772.609	240.898.848
2. Loss for current year	074		
VI. PROFIT/LOSS FOR CURRENT YEAR (076-077)	075	10.478.572	-32.151.488
1. Profit for current year	076	10.478.572	
2. Loss for current year	077		32.151.488
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 - 082)	079	940.947	940.947
1. Provisions for retirement and similar expenditures	080	940.947	940.947
2. Provisions for taxes and contributions	081		
3. Other provisions	082		
C) LONG TERM LIABILITES (084 - 092)	083	365.717.428	420.086.915
1. Liabilities for affiliated companies	084		
2. Liabilities for loans, deposits	085		
3. Liabilities for bank loans and other financial institutions	086	221.437.161	275.722.648
4. Liabilities for advances	087		
5. Accounts payables	088		
6. Securities payables	089	139.780.667	139.864.667
7. Liabilities for companies with participating interest	090		
8. Other long-term liabilities	091		
9. Deferred tax liability	092	4.499.600	4.499.600
D) SHORT-TERM LIABILITIES (094 - 105)	093	346.120.591	361.111.222
1. Liabilities for affiliated companies	094		
2. Liabilities for loans, deposits	095	0	
3. Liabilities for bank loans and other financial institutions	096	175.461.905	182.125.063
4. Liabilities for advances	097	367.059	227.872
5. Accounts payables	098	155.832.274	160.641.925
6. Securities payables	099	1.900.000	2.150.000
7. Liabilities for companies with participating interest	100	0	
8. Liabilities for employees	101	4.563.598	4.917.391
9. Liabilities for taxes, contributions and other	102	7.185.494	3.498.379
10. Liabilities for shares in result	103	26.400	2.652.718
11. Liabilities for short term assets intended for sale	104		
12. Other short term liabilities	105	783.861	4.897.874
E) ACCRUALS AND DEFERRED INCOME	106	22.633.544	14.744.167
F) TOTAL LIABILITIES (062+079+083+093+106)	107	1.119.116.959	1.146.937.972
G) OFF BALANCE SHEET ITEMS	108	352.302.753	391.827.156
APPENDIX TO THE BALANCE SHEET (to be filled by the company drafting the annual consolidated financial statement)			
A) CAPITAL AND RESERVES			
1. Assigned to holders of the capital of the parent company	109	383.704.449	350.054.721
2. Assigned to minority interest	110		

Note 1.: Appendix to the balance sheet is to be filled by the company drafting the annual consolidated financial statement

CONSOLIDATED INCOME STATEMENT
from 1st January 2015 and 30th June 2015

JGL d.d.

Position	ADP mark	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. BUSINESS REVENUE (112+113)	111	303.031.061	0	317.576.262	0
1. Sales revenue	112	281.107.351		296.457.691	
2. Other operational revenue	113	21.923.710		21.118.571	
II. BUSINESS EXPENSE (115+116+120+124+125+126+129+130)	114	320.964.725	0	343.223.386	0
1. Change in value of inventories for production and goods	115	-21.686.537		3.345.404	
2. Operating expense(117 - 119)	116	219.114.056	0	206.555.075	0
a) Cost of raw material	117	81.682.774		76.624.051	
b) Costs of goods sold	118	68.915.427		70.289.039	
c) Other external costs	119	68.515.855		59.641.985	
3. Expense for employees (121 - 123)	120	74.983.948	0	70.799.815	0
a) Net salaries and wages	121	45.936.152		44.330.995	
b) Taxes, social and pension funds	122	17.931.009		15.691.057	
c) Contributions for salaries	123	11.116.787		10.777.763	
4. Depreciation	124	13.611.528		15.717.452	
5. Other expense	125	17.025.912		17.375.769	
6. Revalorisation (127+128)	126	273.757	0	14.310	0
a) of long term assets (excluding financial assets)	127	5.864		0	
b) of short term assets (excluding financial assets)	128	267.893		14.310	
7. Provisions	129				
8. Other operational expenses	130	17.642.061		29.415.561	
III. FINANCIAL REVENUE (132 - 136)	131	8.116.923	0	88.875.069	0
1. Interests, exchange rate differentials, dividends and similar	132				
2. Interests, exchange rate differentials, dividends and similar	133	7.141.492		67.889.475	
3. Revenue from participating interest and subsidiaries	134			22.954	
4. Non-realized revenue	135	975.431		3.323.906	
5. Other financial revenue	136	0		17.638.734	
IV. FINANCIAL EXPENSE (138 - 141)	137	16.426.620	0	95.379.433	0
1. Interests, exchange rate differentials, dividends and similar	138				
2. Interests, exchange rate differentials, dividends and similar	139	16.117.137		65.710.796	
4. Non-realized loss from financial assets	140	309.483		0	
5. Other financial expenses	141	0		29.668.637	
V. SHARE IN PROFIT FROM AFFILIATED COMPANIES	142	22.865		0	
VI. SHARE IN LOSS FROM AFFILIATED COMPANIES	143				
VII. EXTRAORDINARY REVENUE	144				
VIII. EXTRAORDINARY EXPENSE	145				
IX. TOTAL REVENUE (111+131+142 + 144)	146	311.170.849	0	406.451.331	0
X. TOTAL EXPENSES (114+137+143 + 145)	147	337.391.345	0	438.602.819	0
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	-26.220.496	0	-32.151.488	0
1. Profit before tax (146-147)	149	0	0	0	0
2. Loss before tax (147-146)	150	26.220.496	0	32.151.488	0
XII. INCOME TAX	151	3.466.819		3.380.027	
XIII. PROFIT OR LOSS OF THE PERIOD (148-151)	152	-29.687.315	0	-35.531.515	0
1. Profit of the period (149-151)	153	0	0	0	0
2. Loss of the period (151-148)	154	29.687.315	0	35.531.515	0
APPENDIX TO INCOME STATEMENT Form (to be filled by the company drafting the annual consolidated financial statement)					
XIV. PROFIT OR LOSS OF THE PERIOD					
1. Assigned to holders of the capital of the parent company	155	-29.687.315		-35.531.515	
2. Assigned to minority interest	156				
REPORT OF OTHER COMPREHENSIVE INCOME (to be filled by the company in accordance with the IFRS)					
I. PROFIT OR LOSS OF THE PERIOD (= 152)	157	-29.687.315		-35.531.515	
II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (159 do)	158	0	0	0	0
1. Exchange rate differentials from foreign business calculations	159				
2. Changes in revalorisation reserves for long term tangible and	160				
3. Profit or loss from revalorisation of financial assets intended	161				
4. Profit or loss from efficient cash flow protection	162				
5. Profit or loss from efficient investment protection	163				
6. Share in comprehensive profit/loss of affiliated companies	164				
7. Actuarial profit/loss according to planed income	165				
III. TAX ON OTHER COMPREHENSIVE PROFIT OF THE PERIOD	166				
IV. OTHER NET COMPREHENSIVE PROFIT/LOSS OF THE PERIOD	167	0	0	0	0
V. COMPREHENSIVE PROFIT/LOSS OF THE PERIOD (157+167)	168	-29.687.315		-35.531.515	
APPENDIX TO REPORT OF OTHER COMPREHENSIVE INCOME Form (to be filled by the company drafting the annual consolidated					
VI. COMPREHENSIVE PROFIT OR LOSS OF THE PERIOD					
1. Assigned to holders of the capital of the parent company	169	-29.687.315		-35.531.515	
2. Assigned to minority interest	170				

CASH FLOW STATEMENT - Indirect method
for the period from to

Position	ADP mark	Previous period	Current period
1	2	3	4
CASH FLOW FROM BUSINESS ACTIVITIES			
1. Profit before tax	001	0	
2. Depreciation	002	0	
3. Increase in short term liabilities	003	0	
4. Decrease in short term liabilities	004	0	
5. Decrease in inventories	005	0	
6. Other increase of cash flow	006	0	
I. Total increase of cash flow from business activities (001 do 006)	007	0	0
1. Decrease in short term liabilities	008	0	
2. Increase in short term liabilities	009	0	
3. Increase in inventories	010	0	
4. Other decrease in cash flow	011	0	
II. Total decrease of cash flow from operating activities (008 - 011)	012	0	0
A1) NET INCREASE OF CASH FLOW FROM BUSINESS ACTIVITIES (007-012)	013	0	0
A2) NET DECREASE OF CASH FLOW FROM BUSINESS ACTIVITIES (012-007)	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash proceeds from sale of long terms intangible and tangible assets	015	0	
2. Cash proceeds from sale of equity and debt security instruments	016	0	
3. Cash proceeds from interest payment	017	0	
4. Cash proceeds of dividend payment	018	0	
5. Other cash proceeds from investing activities	019		
III. Total cash inflow from investing activities (015 - 019)	020	0	0
1. Cash outflow for acquisition of long term tangible and intangible assets	021	0	
2. Cash outflow for acquisition of equity and debt security instruments	022		
3. Other cash outflows from investing activities	023		
IV. Total cash outflow from investing activities (021 - 023)	024	0	0
B1) NET CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0
B2) NET CASH OUTFLOW FROM INVESTING ACTIVITIES (024-020)	026	0	0
CASH FLOW FROM FINANCE ACTIVITIES			
1. Cash inflow from issuing equity and debt financial instruments	027		
2. Cash inflow from loan principals, debentures, credits and other borrowings	028	0	
3. Other cash inflows from finance activities	029		
V. Total cash inflow from finance activities (027 - 029)	030	0	0
1. Cash outflow for repayment of loan principal and bonds	031	0	
2. Cash outflow for dividend payment	032	0	
3. Cash outflow for finance lease	033	0	
4. Cash outflow for buyback of own shares	034	0	
5. Other cash outflow from finance activities	035	0	
VI. Total cash outflow for finance activities (031 - 035)	036	0	0
C1) NET CASH FLOW INCREASE FROM FINANCE ACTIVITIES (030-036)	037	0	0
C2) NET CASH FLOW DECREASE FROM FINANCE ACTIVITIES (036-030)	038	0	0
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	0
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	0
Cash and cash equivalents at the beginning of the period	041	0	
Increase of cash and cash equivalents	042	0	
Decrease of cash and cash equivalents	043	0	
Cash and cash equivalents at the end of the period	044	0	0

CASH FLOW STATEMENT - Direct method
For the period from 1st January 2015 till 30th June 2015

JADRAN-GALENSKI LABORATORIJ - GROUP			
Position	ADP mark	Previous period	Current period
1	2	3	4
CASH FLOW FROM BUSINESS ACTIVITIES			
1. Cash proceeds from buyers	001	387.897.376	351.803.403
2. Cash proceeds from royalties, fees, commissions, etc	002	22.865	22.954
3. Cash proceeds from insurance claims	003	203.135	56.214
4. Cash proceeds from tax return	004	8.754.577	16.899.436
5. Other cash proceeds	005	854.994	1.344.603
I. Total increase of cash flow from operating activities (001 - 005)	006	397.732.947	370.126.610
1. Cash outflow for liabilities	007	246.153.916	263.314.439
2. Cash outflow for employees	008	56.179.956	43.864.100
3. Cash outflow to insurance for indemnification of damage	009		
4. Cash outflow for interests	010	12.652.461	12.250.101
5. Cash outflow for taxes	011	47.969.823	32.234.309
6. Other cash outflow	012	1.841.618	5.224.929
II. Total cash outflow from business activities (007 do 012)	013	364.797.774	356.887.878
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (006-013)	014	32.935.173	13.238.732
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (013-006)	015	0	0
CASH FLOW FROM INVESTMENT ACTIVITIES			
1. Cash proceeds from sale of long terms intangible and tangible assets	016	371.865	500.323
2. Cash proceeds from sale of equity and debt security instruments	017		
3. Cash proceeds from interest payment	018	29.545	6.251
4. Cash proceeds of dividend payment	019		
5. Other cash proceeds from investing activities	020	3.560.000	98.000
III. Total cash inflow from investing activities (015 - 019)	021	3.961.410	604.574
1. Cash outflow for acquisition of long term tangible and intangible assets	022	39.965.254	50.147.718
2. Cash outflow for acquisition of equity and debt security instruments	023		
3. Other cash outflows from investing activities	024	3.500.000	
IV. Total cash outflow from investing activities (021 - 023)	025	43.465.254	50.147.718
B1) NET CASH FLOW FROM INVESTING ACTIVITIES (020-024)	026	0	0
B2) NET CASH OUTFLOW FROM INVESTING ACTIVITIES (024-020)	027	39.503.844	49.543.144
CASH FLOW FROM FINANCE ACTIVITIES			
1. Cash inflow from issuing equity and debt financial instruments	028	3.496.920	1.854.094
2. Cash inflow from loan principals, debentures, credits and other borrowings	029	92.983.110	114.249.797
3. Other cash inflows from finance activities	030		8.377.646
V. Total cash inflow from finance activities (027 - 029)	031	96.480.030	124.481.537
1. Cash outflow for repayment of loan principal and bonds	032	78.138.600	73.788.627
2. Cash outflow for dividend payment	033		
3. Cash outflow for finance lease	034	10.865.581	7.555.162
4. Cash outflow for buyback of own shares	035	526.710	2.629.263
5. Other cash outflow from finance activities	036	4.850	4.851
VI. Total cash outflow for finance activities (031 - 035)	037	89.535.741	83.977.903
C1) NET CASH FLOW INCREASE FROM FINANCE ACTIVITIES (030-036)	038	6.944.289	40.503.634
C2) NET CASH FLOW DECREASE FROM FINANCE ACTIVITIES (036-030)	039	0	0
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	040	375.618	4.199.222
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	041	0	0
Cash and cash equivalents at the beginning of the period	042	16.691.480	23.655.128
Increase of cash and cash equivalents	043	375.618	4.199.223
Decrease of cash and cash equivalents	044		
Cash and cash equivalents at the end of the period	045	17.067.098	27.854.351

CHANGES IN EQUITY

for the period from 1.1.2015 to 30.6.2015

Position	ADP mark	Previous period	Current period
1	2	3	4
1. Called up capital	001	58.954.000	118.472.000
2. Capital reserves	002	69.382.027	7.237.109
3. Reserves from equity	003	10.426.441	15.598.252
4. Retained profit or transferred loss	004	243.607.735	240.898.848
5. Profit or loss of the period	005	-26.220.496	-32.151.488
6. Revalorisation of long term tangible assets	006		
7. Revalorisation of long term intangible assets	007		
8. Revalorisation of financial assets for sale	008		
9. Other revalorisation	009		
10. Total capital and reserves (ADP 001 - 009)	010	356.149.707	350.054.721
11. Exchange rate differentials from foreign net investments	011		
12. Current and deferred tax	012		
13. Cash flow protection	013		
14. Changes in accounting policies	014		
15. Correction of errors from past periods	015		
16. Other changes in equity	016	-31.766.883	-33.649.728
17. Total increase or decrease of equity (ADP 011 - 016)	017	-31.766.883	-33.649.728
17.a Assigned to holders of the capital of the parent company	018	-31.766.883	-33.649.728
17. b Assigned to minority interest	019		

Positions that reduce capital are entered with a negative sign

Information from ADP 001 - 009 are situations on the date of the balance sheet

Notes

(1) Notes contain additional and supplemental information that is not presented in the balance sheet, income statement, cash flow statement and statement of changes in equity in accordance with the provisions of the relevant financial reporting standards.

GROUP JGL RIJEKA

REVIEW OF BUSINESS RESULT ON 30th JUNE 2015.

Table 1.: JGL GROUP – Income statement

Position	Previous period	% UA	Current period	% UA	Index	Change
OPERATING REVENUES	303.031.061,31	97,38	317.576.261,85	78,13	104,80	14.545.200,54
Revenues from domestic sales	169.044.472,11	54,33	158.191.189,93	38,92	93,58	-10.853.282,18
Revenues from foreign sales	112.062.878,55	36,01	138.266.500,63	34,02	123,38	26.203.622,08
Revenues from refunds, grants, subventions and	484.870,15	0,16	493.172,17	0,12	101,71	8.302,02
Revenues from the use of own products	2.534.767,98	0,81	9.233.751,00	2,27	364,28	6.698.983,02
Other business revenues	18.904.072,52	6,08	11.391.648,12	2,80	60,26	-7.512.424,40
OPERATING EXPENSES	320.964.725,42	103,15	343.223.385,89	84,44	106,93	22.258.660,47
Change of stock value	-21.686.536,59	-6,97	3.345.404,37	0,82	-15,43	25.031.940,96
Material costs and services	219.114.056,06	70,42	206.555.073,88	50,82	94,27	-12.558.982,18
Costs of raw material	81.682.773,55	26,25	76.624.051,01	18,85	93,81	-5.058.722,54
Costs of sold goods	68.915.427,04	22,15	70.289.038,55	17,29	101,99	1.373.611,51
Costs of services	68.515.855,47	22,02	59.641.984,32	14,67	87,05	-8.873.871,15
Staff costs	74.983.948,40	24,10	70.799.815,58	17,42	94,42	-4.184.132,82
Net salaries	45.936.151,97	14,76	44.330.995,15	10,91	96,51	-1.605.156,82
Taxes, surtaxes and contributions from salaries	29.047.796,43	9,33	26.468.820,43	6,51	91,12	-2.578.976,00
Depreciation	13.611.527,67	4,37	15.717.452,49	3,87	115,47	2.105.924,82
Other costs	17.025.911,58	5,47	17.375.769,07	4,27	102,05	349.857,49
Value adjustment of assets	273.756,86	0,09	14.309,53	0,00	5,23	-259.447,33
Provisions for risks and costs	0,00	0,00	0,00	0,00	0,00	0,00
Other operating expenses	17.642.061,44	5,67	29.415.560,97	7,24	166,74	11.773.499,53
FINANCIAL REVENUES	8.116.923,16	2,61	88.875.069,17	21,87	1.094,94	80.758.146,01
FINANCIAL EXPENSES	16.426.619,77	5,28	95.379.432,98	23,47	580,64	78.952.813,21
SHARE IN PROFIT FROM AFFILIATED COMPANIES	22.865,40	0,01	0,00	0,00	0,00	-22.865,40
OTHER REVENUES	0,00	0,00	0,00	0,00	0	0,00
OTHER EXPENSES	0,00	0,00	0,00	0,00	0	0,00
TOTAL REVENUES	311.170.849,87	100,00	406.451.331,02	100,00	130,62	95.280.481,15
TOTAL EXPENSES	337.391.345,19	108,43	438.602.818,87	107,91	130,00	101.211.473,68
RESULT BEFORE TAXATION	-26.220.495,32	-8,43	-32.151.487,85	-7,91	122,62	-5.930.992,53
Income tax and deferred tax assets	3.466.819,26	1,11	3.380.027,34	0,83	97,50	-86.791,92
RESULT OF THE PERIOD	-29.687.314,58	-9,54	-35.531.515,19	-8,74	119,69	-5.844.200,61

Total revenue from sales in the first half of year 2015 amounts to HRK 296.457.691, which is an increase by 5,46% when compared to the same period last year. The Croatian market generated HRK 158.191.190, which is 53,36% while sales abroad were 46,64% of total sales revenue of the Group.

In the first half of the 2015 business revenues (HRK 317.576.262) increased 4,8% when compared to the same period in the previous year. Foreign sales are up by 23,38%, due mostly to continue the positive trend of growth in our largest market, Russia by 11%. The increase in sales in the Russian market is a very good sign if we take into consideration the political situation and the fact that most of the sales are traditionally realized in the second half of the year. Visible revenue decline is present on the Croatian market of nearly when compared to the same period in 2014. This can be explained by the persistence of bad macroeconomic indicators due to the economics crisis in Croatia as well as the reduction in prices of some key drugs.

Significant cost reduction is made in the first half of 2015, especially in material costs that are reduced by 6,19%, costs of service that are reduced by 12,95% and employee costs that are reduced by 5,58% when compared to the previous period. Nonetheless, total operating expenses (HRK 343.223.386) increased by 6,93% when compared to the previous period. This increase is due to the change in stock value, furthermore a significant write-off of part of stock was made that is visible in other costs increase and costs of depreciation increased due to the investment of the mother company in buildings and equipment for the new production site „Svilno 2“.

Financial revenues in amount of HRK 88.875.069 are mainly exchange gains and revenue from financial derivatives (forward). At the end of 2014 and in the first half of 2015 the russian ruble experienced great currency fluctuations, so the mother company used hedging for minimizing the financial risks. Financial expenses in amount of HRK 95.379.433 are mainly exchange losses, expenses from financial derivatives (forward) and interests.

Total expenses amount to HRK 438.602.819, while total revenues are HRK 406.451.331 which results in loss before tax in amount of HRK 32.151.488, and loss after tax in amount of HRK 35.531.515. Due to the already established seasonality large exports were realized to the CIS region in the last quarter of 2014. Accordingly, increased supplies are expected in the second half of 2015.

Table 2.: JGL GROUP – Balance sheet

Position	Previous period	% UA	Current period	% UA	Index	Change
TOTAL ASSETS	1.119.116.959,06	100,00	1.146.937.972,29	100,00	102,49	27.821.013,23
LONG TERM ASSETS	507.846.602,78	45,38	568.111.995,76	49,53	111,87	60.265.392,98
Intangible assets	85.436.415,07	7,63	85.041.165,27	7,41	99,54	-395.249,80
Tangible assets	420.015.361,16	37,53	480.712.885,16	41,91	114,45	60.697.524,00
Long term financial assets	1.549.318,31	0,14	1.512.437,09	0,13	97,62	-36.881,22
DEFERRED TAX ASSETS	845.508,24	0,08	845.508,24	0,07	100	0,00
SHORT TERM ASSETS	605.510.007,98	54,11	574.691.875,43	50,11	94,91	-30.818.132,55
Stock	204.628.315,55	18,28	202.499.030,77	17,66	98,96	-2.129.284,78
Receivables	354.549.452,56	31,68	339.545.461,78	29,60	95,77	-15.003.990,78
Short term financial assets	22.677.112,05	2,03	4.793.031,82	0,42	21,14	-17.884.080,23
Cash at banks and in hand	23.655.127,82	2,11	27.854.351,06	2,43	117,75	4.199.223,24
PREPAID COSTS AND ACCRUED REVENUES	5.760.348,30	0,51	4.134.101,10	0,36	71,77	-1.626.247,20
TOTAL CAPITAL AND LIABILITIES	1.119.116.959,06	100,00	1.146.937.972,29	100,00	102,49	27.821.013,23
CAPITAL AND RESERVES	383.704.448,55	34,29	350.054.720,94	30,52	91,23	-33.649.727,61
Called up capital	117.908.000,00	10,54	118.472.000,00	10,33	100,48	564.000,00
Premium on issued shares	7.776.478,30	0,69	7.237.109,38	0,63	93,06	-539.368,92
Treasury shares	-2.482.800,00	-0,22	-3.282.600,00	-0,29	132,21	-799.800,00
Reserves	16.251.589,34	1,45	18.880.851,86	1,65	116,18	2.629.262,52
Retained profit + undistributed profits of last year	233.772.608,86	20,89	240.898.847,55	21,00	103,05	7.126.238,69
RESULT OF THE PERIOD	10.478.572,05	0,94	-32.151.487,85	-2,80	-306,83	-42.630.059,90
LONG TERM PROVISIONS	940.947,00	0,08	940.947,00	0,08	100,00	0,00
LONG TERM LIABILITIES	365.717.428,26	32,68	420.086.914,85	36,63	114,87	54.369.486,59
Liabilities for bonds	139.780.666,66	12,49	139.864.666,66	12,19	100,06	84.000,00
Other long term liabilities	225.936.761,60	20,19	280.222.248,19	24,43	124,03	54.285.486,59
SHORT TERM LIABILITIES	346.120.591,41	30,93	361.111.221,81	31,48	104,33	14.990.630,40
Liabilities for subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00
Short term financial liabilities	175.461.906,16	15,68	182.125.062,76	15,88	103,80	6.663.156,60
Liabilities for securities	1.900.000,00	0,17	2.150.000,00	0,19	113,16	250.000,00
Trade payables	155.832.273,80	13,92	160.641.924,97	14,01	103,09	4.809.651,17
Liabilities towards employees	4.563.597,81	0,41	4.917.390,51	0,43	107,75	353.792,70
Liabilities for taxes and contributions	7.185.493,91	0,64	3.498.379,46	0,31	48,69	-3.687.114,45
Liabilities due to share in result	26.400,00	0,00	2.652.718,32	0,23	10.048,18	2.626.318,32
Other short term liabilities	1.150.919,73	0,10	5.125.745,79	0,45	445,36	3.974.826,06
DEFERRED SETTLEMENTS OF COSTS AND REVENUE DEFERRED TO FUTURE PERIOD	22.633.543,84	2,02	14.744.167,69	1,29	65,14	-7.889.376,15

Total increase in long-term assets in the first half of 2015 amounts to 11,87%. Long-term assets recorded increase mostly in the category tangible assets (14,45%) which is the result of investment of the mother company in the new production facility „Svilno 2“.

Short-term assets decreased by 5,09% in comparison to the end of 2014 due to the decrease in receivables of 4,23% and decrease of the short-term financial assets (forward receivables of the mother company). This decrease confirms the seasonality of our sales, the increased sales at the end of the year reduce the receivables index in the first half of the year. Furthermore, the decrease is due to the reduce in stock in wholesalers in our biggest market – Russia.

Liabilities have significant changes in long-term liabilities towards banks and leasing companies due to the partial refinancing of the short-term financial bank loans into a more stable long-term loans. The other reason for increase in liabilities is the investment in the equipment for the new production facility „Svilno 2“. Short-term liabilities of the Group increased by 4,43% when compared to the previous period, because of the increased liabilities toward banks and suppliers.

In the first half of 2015 companies members of the JGL Group were dedicated to development, production and export projects. In January 2015 an investment project in spin off company Adriaalb d.o.o. was finalized and the production plant for semisolid forms was launched. Investment is worth HRK 15 million and it is all in order to revitalize and further develop the traditional JGL products. Project Pharma Valley, worth HRK 361 million entered its final stage, the conditions of regulatory agencies and competent bodies were met, and a part of the employees officially moved into new workshops that meet high standards in late June.

Intensive employment trend continued as in previous periods, on 30th June of 2015 JGL Group has 989 employees, 7,5% more employees than in the same period last year (920 employees). Out of this, 594 employees are in Croatia, and 395 abroad.

Rijeka, August 2015

JADRAN – GALENSKI LABORATORIJ D.D.



Jasmin Huljaj, Glavni izvršni direktor



Dražen Jakšić, Izvršni direktor

Report on Management Board responsibility

In accordance with the legal requests of the financial reporting framework, applicable in the Republic of Croatia, the Executive Directors are responsible for financial reports and their accordance with International Financial Reporting Standards (IFRS) as determined by the Financial Reporting Standards Committee. Financial reports provide a true and fair view of the Group and its financial results for the given period.

Following the audit's completion, the Executive Directors duly expect the Group to dispose of relevant resources, therefore, while drafting financial reports, further adopts the principle of dynamic transitional environment of business.


The Executive Director's responsibility while drafting the financial reports is to:

- chose and apply consistent accounting policies
- provide justified and reasonable judgements and estimations
- Act in accordance with valid accounting standards, with publishing and explaining of all materially relevant deviations in financial reports and
- draft financial reports under the presumption of dynamic transitional environment, unless the presumption that the Group will continue its business in not applicable.


The Executive Directors are responsible for managing relevant accounting records, which shows the financial position of the Group in each moment with relevant punctuality. Also, the Executive Directors are obliged to ensure that the financial reports are in accordance with the Accounting Act. Besides that, the Executive Directors are responsible for keeping the Group's assets and undertaking justified actions for preventing and revealing fraud and other faults.

Rijeka, dated 20th August 2015

For and on behalf of JGL d.d.



Jasmin Huljaj, Glavni izvršni direktor



Dražen Jakšić, Izvršni direktor