

Attachment 1.

Period:

1.1.2015

to

30.6.2015

Quarterly financial report TFI-PODRegistration number (MB): **03715957**Registration number (MBS): **040004561**Personal identification
number (OIB): **20950636972**Company: **JGL d.d.**Postal code and city: **51000****Rijeka**Address: **Svilno 20**e-mail: jgl@jgl.hrInternet address: www.jgl.hrCode and name of city: **373** **Rijeka**Code and name of county: **8** **Primorsko-goranska**Number of employees **781**
(at the end of the period)Consolidated report: **NO**NKD code: **2120**

Companies in consolidation (in acc. with IFRS):

Headquarters:

MB:

Accounting:

Contact: **Crnković Verica**

(enter surname and name of the contact person)

Phone: **051 660 710**Fax: **051 660 711**e-mail: verica.crnkovic@jgl.hrSurname 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)

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	476.714.199	540.188.993
I. INTANGIBLE ASSETS (004 - 009)	003	33.925.118	34.073.028
1. Expenditure for research and development	004	7.078.096	6.500.953
2. Patents, licences, concessions, trademarks, software and other rights	005	11.111.400	9.525.953
3. Goodwill	006		
4. Advances on intangible assets	007		
5. Intangible assets-construction in progress	008	15.735.622	18.046.122
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 - 019)	010	394.876.754	451.603.638
1. Land	011	5.325.452	5.325.452
2. Buildings	012	72.638.646	70.830.332
3. Equipment and machinery	013	104.109.650	97.582.724
4. Tools, power stock and transportation means	014	11.791.690	10.736.169
5. Biological assets	015		
6. Advances on tangible assets	016	8.252.605	1.775.718
7. Tangible assets-construction in progress	017	187.934.668	260.529.199
8. Other tangible assets	018	598.920	598.921
9. Investments in real estate	019	4.225.123	4.225.123
III. LONG TERM FINANCIAL ASSETS (021 - 028)	020	47.066.819	53.666.819
1. Shares in affiliated companies	021	45.554.382	52.154.382
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	0	0
1. Receivables from affiliated companies	030		
2. Receivables from sales on credit	031		
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033	845.508	845.508
C) SHORT TERM ASSETS (035+043+050+058)	034	552.465.354	504.480.119
I. INVENTORIES (036 - 042)	035	181.874.192	177.039.792
1. Raw and other material	036	50.764.056	53.809.615
2. Production in progress	037		
3. Finished products	038	100.558.468	96.043.699
4. Trade goods	039	1.288.154	1.159.181
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	333.194.869	312.933.471
1. Receivables from affiliated companies	044	41.019.561	34.097.740
2. Receivables from buyers	045	264.000.526	251.318.044
3. Receivables from participating companies	046		
4. Receivables from employees and subsidiaries	047	20.514	83.856
5. Receivables from government and other institutions	048	14.787.873	4.958.056
6. Other receivables	049	13.366.395	22.475.775
III. SHORT TERM FINANCIAL ASSETS (051 - 057)	050	23.063.966	7.452.101
1. Shares in affiliated companies	051		
2. Loans to affiliated companies	052	1.936.753	4.093.556
3. Participating interest	053		
4. Loans given to companies with participating interest	054		
5. Securities investment	055		
6. Given loans, deposits	056	241.107	34.639
7. Other short term financial assets	057	20.886.106	3.323.906
IV. CASH AT BANKS AND IN HAND	058	14.332.327	7.054.755
D) PREPAYMENTS AND ACCRUED INCOME	059	5.636.785	3.933.543
E) TOTAL ASSETS (001+002+034+059)	060	1.034.816.338	1.048.602.655
F) OFF BALANCE SHEET ITEMS	061	352.302.753	391.825.065

LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	393.217.826	362.184.626
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	235.807.210	248.508.978
1. Retained profit	073	235.807.210	248.508.978
2. Loss for current year	074		
VI. PROFIT/LOSS FOR CURRENT YEAR (076-077)	075	17.957.348	-27.631.713
1. Profit for current year	076	17.957.348	0
2. Loss for current year	077	0	27.631.713
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 LIABILITIES (084 - 092)	083	349.274.628	400.088.992
1. Liabilities for affiliated companies	084		
2. Liabilities for loans, deposits	085		
3. Liabilities for bank loans and other financial institutions	086	209.493.961	260.224.325
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		
D) SHORT-TERM LIABILITIES (094 - 105)	093	269.306.319	270.688.655
1. Liabilities for affiliated companies	094	6.416.255	36.177.839
2. Liabilities for loans, deposits	095		
3. Liabilities for bank loans and other financial institutions	096	145.824.880	134.951.918
4. Liabilities for advances	097	324.651	204.247
5. Accounts payables	098	105.943.902	84.016.734
6. Securities payables	099	1.900.000	2.150.000
7. Liabilities for companies with participating interest	100	127.037	
8. Liabilities for employees	101	3.029.489	3.217.707
9. Liabilities for taxes, contributions and other	102	4.932.074	2.420.821
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	781.631	4.896.671
E) ACCRUALS AND DEFERRED INCOME	106	22.076.618	14.699.435
F) TOTAL LIABILITIES (062+079+083+093+106)	107	1.034.816.338	1.048.602.655
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		
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

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	217.011.000	0	223.702.973	0
1. Sales revenue	112	202.407.480		209.993.708	
2. Other operational revenue	113	14.603.520		13.709.265	
II. BUSINESS EXPENSE (115+116+120+124+125+126+129+130)	114	234.332.574	0	245.491.058	0
1. Change in value of inventories for production and goods	115	-21.686.537		4.514.769	
2. Operating costs (117 - 119)	116	147.730.612	0	128.289.559	0
a) Costs of raw material	117	80.425.371		71.346.171	
b) Costs of goods sold	118	1.172.058		1.900.168	
c) Other external costs	119	66.133.183		55.043.220	
3. Costs for employees (121 - 123)	120	61.710.458	0	55.887.057	0
a) Net salaries and wages	121	38.253.698		35.469.046	
b) Taxes, social and pension funds	122	14.166.599		11.684.978	
c) Contributions for salaries	123	9.290.161		8.733.033	
4. Depreciation	124	12.477.246		13.734.748	
5. Other costs	125	14.947.534		14.882.983	
6. Revalorisation (127+128)	126	0	0		0
a) of long term assets (excluding financial assets)	127				
b) of short term assets (excluding financial assets)	128				
7. Provisions	129				
8. Other operational costs	130	19.153.261		28.181.942	
III. FINANCIAL REVENUE (132 - 136)	131	8.069.380	0	88.803.047	0
1. Interests, exchange rate differentials, dividends and similar revenues from relations with affiliated companies	132	221.563		486.179	
2. Interests, exchange rate differentials, dividends and similar revenues from relations with unaffiliated companies and other persons	133	6.863.184		67.329.720	
3. Revenue from participating interest and subsidiaries	134	9.202		24.508	
4. Non-realized revenue	135	975.431		3.323.906	
5. Other financial revenue	136			17.638.734	
IV. FINANCIAL EXPENSE (138 - 141)	137	15.938.141	0	94.646.675	0
1. Interests, exchange rate differentials, dividends and similar expenses from relations with unaffiliated companies and other persons	138	883.522		1.558.674	
2. Interests, exchange rate differentials, dividends and similar expenses from relations with unaffiliated companies and other persons	139	14.745.136		63.301.410	
4. Non-realized loss from financial assets	140	309.483		0	
5. Other financial expenses	141			29.786.591	
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	225.103.245	0	312.506.020	0
X. TOTAL EXPENSES (114+137+143 + 145)	147	250.270.715	0	340.137.733	0
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	-25.167.470	0	-27.631.713	0
1. Profit before tax (146-147)	149	0	0	0	0
2. Loss before tax (147-146)	150	25.167.470	0	27.631.713	0
XII. INCOME TAX	151	3.466.819		3.104.464	
XIII. PROFIT OR LOSS OF THE PERIOD (148-151)	152	-28.634.289	0	-30.736.177	0
1. Profit of the period (149-151)	153	0	0	0	0
2. Loss of the period (151-148)	154	28.634.289	0	30.736.177	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				
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	-28.634.289	0	-30.736.177	
II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (159 do 165)	158	0	0	0	0
1. Exchange rate differentials from foreign business calculations	159				
2. Changes in revalorisation reserves for long term tangible and intangible assets	160				
3. Profit or loss from revalorisation of financial assets intended for sale	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	-28.634.289	0	-30.736.177	0
APPENDIX TO REPORT OF OTHER COMPREHENSIVE INCOME Form (to be filled by the company drafting the annual consolidated financial statement)					
VI. COMPREHENSIVE PROFIT OR LOSS OF THE PERIOD					
1. Assigned to holders of the capital of the parent company	169				
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

JGL d.d.			
Position	ADP mark	Previous period	Current period
1	2	3	4
CASH FLOW FROM BUSINESS ACTIVITIES			
1. Cash proceeds from buyers	001	310.542.104	251.726.449
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	854.993	1.307.832
I. Total increase of cash flow from operating activities (001 - 005)	006	320.377.674	270.012.885
1. Novčani izdaci dobavljačima	007	196.718.388	197.662.355
2. Novčani izdaci za zaposlene	008	49.264.861	36.088.310
3. Novčani izdaci za osiguranje za naknade šteta	009		
4. Novčani izdaci za kamate	010	11.820.694	12.352.512
5. Novčani izdaci za poreze	011	40.786.119	25.072.422
6. Ostali novčani izdaci	012	1.841.618	5.224.929
II. Ukupno novčani izdaci od poslovnih aktivnosti (007 do 012)	013	300.431.680	276.400.528
A1) NETO POVEĆANJE NOVČANOG TIJEKA OD POSLOVNIH	014	19.945.994	0
A2) NETO SMANJENJE NOVČANOG TIJEKA OD POSLOVNIH	015	0	6.387.643
CASH FLOW FROM INVESTMENT ACTIVITIES			
1. Cash proceeds from sale of long terms intangible and tangible assets	016	330.615	773.751
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	3.920.160	878.002
1. Cash outflow for acquisition of long term tangible and intangible assets	022	38.442.259	49.882.957
2. Cash outflow for acquisition of equity and debt security instruments	023		6.600.000
3. Other cash outflows from investing activities	024	3.879.488	2.292.423
IV. Total cash outflow from investing activities (021 - 023)	025	42.321.747	58.775.380
B1) NET CASH FLOW FROM INVESTING ACTIVITIES (020-024)	026	0	0
B2) NET CASH OUTFLOW FROM INVESTING ACTIVITIES (024-020)	027	38.401.587	57.897.378
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	72.983.110	115.676.018
3. Other cash inflows from finance activities	030		8.377.646
V. Total cash inflow from finance activities (027 - 029)	031	76.480.030	125.907.757
1. Cash outflow for repayment of loan principal and bonds	032	48.287.064	58.715.884
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		
VI. Total cash outflow for finance activities (031 - 035)	037	59.679.355	68.900.309
C1) NET CASH FLOW INCREASE FROM FINANCE ACTIVITIES (030-036)	038	16.800.675	57.007.449
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	0	0
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	041	1.654.918	7.277.572
Cash and cash equivalents at the beginning of the period	042	8.059.294	14.332.327
Increase of cash and cash equivalents	043		
Decrease of cash and cash equivalents	044	1.654.918	7.277.572
Cash and cash equivalents at the end of the period	045	6.404.376	7.054.755

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	10.426.440	15.598.252
4. Retained profit or transferred loss	004	246.561.446	248.508.978
5. Profit or loss of the period	005	-25.167.470	-27.631.713
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	360.156.443	362.184.626
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	44.380.638	-31.033.200
17. Total increase or decrease of equity (ADP 011 - 016)	017	44.380.638	-31.033.200
17.a Assigned to holders of the capital of the parent company	018		
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.

JADRAN – GALENSKI LABORATORIJ, joint stock company, Rijeka

REVIEW OF BUSINESS RESULT ON 30th JUNE 2015.

With the aim of improving the business process and adapting to the dynamic market circumstances, JGL has shifted from the dualistic to the monistic system of corporate governance on the first day of 2015. Five members of the Management Board are in charge of management and supervision, while the company is represented and operated by the four members of Executive Board. Also, a new process organization was introduced to increase the efficiency of the business and the realization of corporate strategy with a focus on the customer.

Table 1.: JGL – Income statement

Position	Previous period	% UP	Current period	% UP	Index	Change
OPERATING REVENUES	217.010.999,75	96,41	223.702.973,37	71,58	103,08	6.691.973,62
Revenues from domestic sales	63.491.659,60	28,21	57.216.870,54	18,31	90,12	-6.274.789,06
Revenues from foreign sales	138.915.819,98	61,71	152.776.837,54	48,89	109,98	13.861.017,56
Revenues from refunds, grants, subventions and free receipts	255.533,22	0,11	213.025,49	0,07	83,37	-42.507,73
Revenues from the use of own products (by 2013.)	2.416.705,61	1,07	9.170.972,56	2,93	379,48	6.754.266,95
Other business revenues	11.931.281,34	5,30	4.325.267,24	1,38	36,25	-7.606.014,10
OPERATING EXPENSES	234.332.574,03	104,10	245.491.058,15	78,56	104,76	11.158.484,12
Change of stock value	-21.686.536,59	-9,63	4.514.768,99	1,44	-20,82	26.201.305,58
Material costs and services	147.730.611,67	65,63	128.289.558,48	41,05	86,97	-19.441.053,19
Costs of raw material	80.425.370,57	35,73	71.346.171,25	22,83	88,71	-9.079.199,32
Costs of sold goods	1.172.058,24	0,52	1.900.167,48	0,61	162,12	728.109,24
Costs of services	66.133.182,86	29,38	55.043.219,75	17,61	83,23	-11.089.963,11
Staff costs	61.710.458,67	27,41	55.887.057,49	17,88	90,56	-5.823.401,18
Net salaries	38.253.698,34	16,99	35.469.045,73	11,35	92,72	-2.784.652,61
Taxes, surtaxes and contributions from salaries	23.456.760,33	10,42	20.418.011,76	6,53	87,05	-3.038.748,57
Depreciation	12.477.245,57	5,54	13.734.747,90	4,40	110,08	1.257.502,33
Other costs	14.947.533,79	6,64	14.882.983,26	4,76	99,57	-64.550,53
Value adjustment of assets	0,00	0,00	0,00	0,00	0,00	0,00
Provisions for risks and costs	0,00	0,00	0,00	0,00	0,00	0,00
Other operating expenses	19.153.260,92	8,51	28.181.942,03	9,02	147,14	9.028.681,11
FINANCIAL REVENUES	8.069.379,36	3,58	88.803.046,65	28,42	1.100,49	80.733.667,29
FINANCIAL EXPENSES	15.938.140,71	7,08	94.646.674,80	30,29	593,84	78.708.534,09
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	0,00	0,00
OTHER EXPENSES	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL REVENUES	225.103.244,51	100,00	312.506.020,02	100,00	136,83	87.402.775,51
TOTAL EXPENSES	250.270.714,74	111,18	340.137.732,95	108,84	133,91	89.867.018,21
RESULT BEFORE TAXATION	-25.167.470,23	-11,18	-27.631.712,93	-8,84	109,79	-2.464.242,70
Income tax and deferred tax assets	3.466.819,26	1,54	3.104.463,75	0,99	89,55	-362.355,51
RESULT OF THE PERIOD	-28.634.289,49	-12,72	-30.736.176,68	-9,84	107,34	-2.101.887,19

Despite the significant political and economic turmoil affecting the decline in operations in the key CIS region, it is apparent that it still dominates with 55,69% share of sales revenue and has a significant impact on JGL's total revenue and export performance. Total revenue from sales in the first half of year 2015 amounts to HRK 209.993.708, which is an increase by 3,75% when compared to the same period last year. Along with the Russian market, where HRK 83.672.077 was realized, the most significant market is Croatian market with a share of 27,25%, with HRK 57.216.870 of sales. The Kazakhstan market follows with HRK 22.305.198, then Switzerland with HRK 10.854.942 and Bosnia and Herzegovina with HRK 6.797.404. Export share in sales revenue is 72,75%.

In the first half of the 2015 business revenues (HRK 223.702.973) increased 3,08% when compared to the same period in the previous year. Foreign sales are up by 10%, 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 11,29%, costs of service that are reduced by 16,77% and employee costs that are reduced by 9,44% when compared to the previous period. Nonetheless, total operating expenses (HRK 245.491.058) increased by 4,76% 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 88.803.046 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 95.646.675 are mainly exchange losses, expenses from financial derivatives (forward) and interests.

Total expenses amount to HRK 340.137.733, while total revenues are HRK 312.506.020 which results in loss before tax in amount of HRK 27.631.713, and loss after tax in amount of HRK 30.736.177. 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– Balance sheet

Position	Previous period	% UA	Current period	% UA	Index	Change
TOTAL ASSETS	1.034.816.337,80	100,00	1.048.602.655,36	100,00	101,33	13.786.317,56
LONG TERM ASSETS	476.714.199,11	46,07	540.188.992,79	51,78	113,32	63.474.793,68
Intangible assets	33.925.117,58	3,28	34.073.027,80	3,52	100,44	147.910,22
Tangible assets	394.876.754,59	38,16	451.603.638,05	43,07	114,37	56.726.883,46
Long term financial assets	47.066.818,70	4,55	53.666.818,70	5,12	114,02	6.600.000,00
DEFERRED TAX ASSETS	845.508,24	0,08	845.508,24	0,08	100,00	0,00
SHORT TERM ASSETS	552.465.353,64	53,39	504.480.119,69	48,11	91,31	-47.985.233,95
Stock	181.874.192,18	17,58	177.039.792,20	46,88	97,34	-4.834.399,98
Receivables	333.194.868,33	32,20	312.933.471,22	29,84	93,92	-20.261.397,11
Short term financial assets	23.063.966,14	2,23	7.452.101,28	0,71	32,31	-15.611.864,86
Cash at banks and in hand	14.332.326,99	1,39	7.054.754,99	0,67	49,22	-7.277.572,00
PREPAID COSTS AND ACCRUED REVENUES	5.636.785,05	0,54	3.933.542,88	0,11	69,78	-1.703.242,17
TOTAL CAPITAL AND LIABILITIES	1.034.816.337,80	100,00	1.048.602.655,36	100,00	101,33	13.786.317,56
CAPITAL AND RESERVES	393.217.826,32	38,00	362.184.626,15	34,54	92,11	-31.033.200,17
Called up capital	117.908.000,00	11,39	118.472.000,00	11,30	100,48	564.000,00
Premium on issued shares	7.776.478,30	0,75	7.237.109,38	0,69	93,06	-539.368,92
Treasury shares	-2.482.800,00	-0,24	-3.282.600,00	-0,31	132,21	-799.800,00
Reserves	16.251.589,34	1,57	18.880.851,86	1,80	116,18	2.629.262,52
Retained profit + undistributed profits of last year	235.807.209,84	22,79	248.508.977,84	23,70	105,39	12.701.768,00
RESULT OF THE PERIOD	17.957.348,84	1,74	-27.631.712,93	-2,64	-153,87	-45.589.061,77
LONG TERM PROVISIONS	940.947,00	0,09	940.947,00	0,09	100,00	0,00
LONG TERM LIABILITIES	349.274.628,21	33,75	400.088.991,95	38,15	114,55	50.814.363,74
Liabilities for bonds	139.780.666,66	13,51	139.864.666,66	13,34	100,06	84.000,00
Other long term liabilities	209.493.961,55	20,24	260.224.325,29	24,82	124,22	50.730.363,74
SHORT TERM LIABILITIES	269.306.318,50	26,02	270.688.655,29	25,81	100,51	1.382.336,79
Liabilities for subsidiaries	6.416.255,15	0,62	36.177.838,79	3,45	563,85	29.761.583,64
Short term financial liabilities	145.824.880,38	14,09	134.951.917,57	12,87	92,54	-10.872.962,81
Liabilities for securities	1.900.000,00	0,18	2.150.000,00	0,21	113,16	250.000,00
Trade payables	106.070.938,16	10,25	84.016.733,73	8,01	79,21	-22.054.204,43
Liabilities towards employees	3.029.488,41	0,29	3.217.707,13	0,31	106,21	188.218,72
Liabilities for taxes and contributions	4.932.074,24	0,48	2.420.821,14	0,23	49,08	-2.511.253,10
Liabilities due to share in result	26.400,00	0,00	2.652.718,32	0,25	10.048,18	2.626.318,32
Other short term liabilities	1.106.282,16	0,11	5.100.918,61	0,49	461,09	3.994.636,45
DEFERRED SETTLEMENTS OF COSTS AND REVENUE DEFERRED TO FUTURE PERIOD	22.076.617,77	2,13	14.699.434,97	1,40	66,58	-7.377.182,80

Total increase in long-term assets in the first half of 2015 amounts to 13,32%. Long-term assets recorded increase mostly in the category tangible assets (14,37%) which is the result of investment of the mother company in the new production facility „Svilno 2“. Long-term financial assets increased by 14,02 % due to the recapitalization of subsidiary Adrialab d.o.o.

Short-term assets decreased by 8,69% in comparison to the end of 2014 due to the decrease in receivables of 4,80% 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“. Reduction of trade payables by 10% compared to 2014 is a result of the decrease in operating expenses, mainly in the cost of raw materials.

The company has actively continued the process of internationalization, independently and / or in cooperation with its foreign partners, through licensing out business models and contract manufacturing with products in the ophthalmic and nasal decongestants segment. During the first six months of 2015, four new prescription drugs (Desart, Letrozol JGL, Anastrozol JGL, Ostea) and one non-prescription product (Normia Baby) were launched, and the upward trend in portfolio expansion continued.

JGL has remained fully devoted to development, manufacturing and export-oriented corporate projects in this period. The Pharma Valley project, worth HRK 361 million, entered the final phase, 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 has 781 employees, 7,87% more employees than in the same period last year.

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 Company and its financial results for the given period.

Following the audit's completion, the Executive Directors duly expect the Company 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 Company will continue its business in not applicable.

The Executive Directors are responsible for managing relevant accounting records, which shows the financial position of the Company 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 Company'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