

**INTERIM REPORT
for first six months of 2011
Medika Group**

July 2011

Report Submitted by Member of the Management Board – Medika d.d.

Comment on the result for the first six months of 2011

As at 30 June 2011 Medika Group consists of Medika d.d., mother company, subsidiaries are Primus Nekretnine d.o.o., registered in Zagreb and Zdravstvena ustanova Ljekarne Prima Pharme, registered in Split. Both subsidiaries are wholly owned by Medika d.d.

Zdravstvena ustanova Ljekarne Prima Pharme has subsidiaries: Zdravstvena ustanova Ljekarne Delonga (Okrug Gornji), Ljekarna Mladenka Čobanov (Šibenik), Zdravstvena ustanova Ljekarne Ines Škoko (Požega) and Zdravstvena ustanova Ljekarne Atalić (Osijek). These subsidiaries are wholly owned by ZU Ljekarne Prima Pharme.

Zdravstvena ustanova Ljekarne Jagatić (Zagreb) is 49% owned by ZU Ljekarne Prima Pharme.

Consolidated sales revenue of Medika Group in the first six months of 2011 is by 7.23% higher comparing to the same period of previous year. The number of pharmacies in Prima Pharme Group impacted on the increase of sales. Total number of pharmacies across Croatia as at 30 June 2011 is 61, while as at 30 June 2010 there were 51 pharmacies. Associate ZU Ljekarne Jagatić as at 30 June 2011 has 7 pharmacies (1 pharmacy more than on 30 June 2010).

The operative profit rate EBIT amounts to HRK 23.9 mil or 2.20% and EBITDA amounts to HRK 33.1 mil or 3.04 %.

Key indicators	I-VI 2011	I-VI 2010	Change I-VI 2011 / I-VI 2010
Sales revenue (000 HRK)	1,081,427	1,008,476	7.23%
EBITDA margin	3.04%	2.54%	+0.50%
EBIT margin	2.20%	1.61%	+0.59%
Net profit (000 HRK)	11,063	9,597	15.28%

Key events

Pharmaceutical market has shown growth in the first six months of 2011 comparing to the same period of previous year. Despite of sales revenue loss in Gradska Ljekarna Zagreb, sales revenue shows growth comparing to the same period of previous year. Since the percentage of sales revenue growth is higher than percentage of market growth, market share shows growth as well.

In February the long term loan in Medika d.d. in the amount of EUR 22.6 million was reprogrammed to a lower interest rate. At the same time, part of the loan in amount of EUR 6.7 million was converted to a short-term loan in Croatian kuna, which reduced currency risk exposure of Medika.

In March Ljekarna Ines Buhač was merged to ZU Ljekarne Prima Pharme, and Group Prima Pharme was enlarged with ZU Ljekarne Ines Škoko which has 6 pharmacies and ZU Ljekarne Atalić which has 3 pharmacies.

Balance sheet

Total assets have grown by 8% comparing to previous year. Growth is result of increased short term receivables.

Intangible assets of Medika Group amount to HRK 174.8 million. Increase in amount of HRK 40.9 million relates to increase in licenses for pharmacies in Zdravstvena ustanova Ljekarne Prima Pharme.

Inventory balance is lower for HRK 15.9 million or 6.53% comparing to beginning of the year due to the increased sales.

Short-term assets amount to HRK 1 billion 453 million, whereof HRK 1 billion 149 million relate to trade receivables. Trade receivables increased by 11.38% comparing to the beginning of the year as a result of increased sales and slower collectability of receivables.

A short-term financial assets amount to HRK 44.8 million, whereof HRK 21.9 million relates to bills of exchange receivables and HRK 21.7 million relates to endorsed bills of exchange receivables. Bills of exchange as a payment instrument were endorsed to suppliers and one business bank. Given the fact that the risk of nonpayment is on the Company, at the same time, the Company recorded liability for endorsed bills of exchange in "Liabilities for securities". Comparing to the beginning of the year, receivables for endorsed bills of exchange are lower for HRK 13.8 million.

Treasury shares and capital reserves balances have changed. This is a result of release of 285 treasury shares in 2011 as employees' benefit program.

Legal reserves are increased for HRK 4.5 million in accordance with decision of General Assembly on distribution of profit.

Long term liabilities decreased for HRK 44.9 million comparing to beginning of the year. Decrease is result of reprogram of a long term loan in euro. Part of the loan in amount of EUR 6.7 million was converted to a short-term loan in Croatian kuna at lower interest rate, which reduced currency risk exposure of Medika.

Short-term liabilities amount to HRK 1 billion 325 million whereof HRK 1 billion 68 million relates to the liabilities to suppliers, HRK 174.3 million to debt (HRK 173.3 million relates to short term loans and HRK 1 million relates to finance lease), and HRK 48.7 million to other short term liabilities (major part relates to liabilities for purchase of pharmacies) and HRK 21.7 million to liabilities for securities, as explained earlier.

Risks

The most significant risk for Medika d.d. business within market risks is a long collection period of receivables, especially HZZO and HZZO related receivables. Therefore, a significant amount of working capital is not available what has an influence on cash flows and timely settlement of Medika d.d. liabilities.

As these receivables are either dependent from or owned by State, risk of collection is not high, but this increases the need for future financing, which increases finance expenses.

Significant risk for Medika d.d. business is a continuous decrease in the price of prescription medication on HZZO list and administrative approach in determining prices and margins of medication. To lower this risk, Medika d.d. focused on increase of variety of products which are not limited by law in respect of the price of the product.

Currency risk is a significant financial risk. Most of inventories are purchased from foreign suppliers in foreign currencies. Additionally, part of borrowings from banks has exchange rate clauses. The Company does not use financial instruments to protect itself from currency risk.

Interest risk of the Company arises from received long term and short term borrowing, with a variable interest rate.

Majority of the credit risk relates to trade receivables. Credit risk is higher when dealing with pharmacies, which have potential going concern issue. Hospitals which have longer collection period do not have a going concern issue and collection issue.

Expectations

Medika d.d. business plan for next 2011 stipulates annual growth of sales of 1%, with further growth potential in following years. In accordance with the growth of sales, a higher market share is expected. The Company will continue with its core business: distribution of medications and medical products and will strongly develop operations with products that make the core business of the firm.

Development strategy of Prima Pharme is to expand network of pharmacies on whole territory of Croatia.

Jasminko Herceg, B.Econ.

Board member


Medika d.d.
Z A G R E B, Capraška

Appendix 1.

Reporting period:

1.1.2011

to

30.6.2011

Quarterly financial statements TFI-POD

Registration number (MB): 03209741

Identification number of company (MBS): 080027531

Personal identification number (OIB): 94818858923

Issuer: MEDIKA D.D.

Postal code and city: 10000

ZAGREB

Address: CAPRAŠKA 1

e-mail: medika@medika.hr

web page: www.medika.hr

Code and name of municipality/city: 133 ZAGREB

Code and county name: 21 GRAD ZAGREB

Number of employees: 679
(end of reporting period)

Consolidated statements: YES

Code of NKD: 4646

Consolidating entities (according to IFRS):

Headquarters:

MB:

ZU Ljekarne Prima Pharma

Split

0694975

ZU Ljekarne Delonga

Okrug gornji

1605747

Primus nekretnine d.o.o.

Zagreb

2534983

ZU Ljekarne Ines Škoko

Požega

02708396

Ljekarna Mladenka Čobanov

Šibenik

2912958388302

ZU Ljekarne Atalić

Osijek

0845124

Bookkeeping service:

Contact person: BOSNAR INES

(only surname and name of contact person)

Telephone number: 012412566

Fax: 012371441

e-mail: medika@medika.hr

Name: HERCEG JASMINKO

(authorised person)

Documentation for publishing:

1. Financial statements (Balance sheet, Profit and loss account, Cash flow statements, Statements of changes in equity and Notes to financial statements)
2. Interim report,
3. Statement of Liability.

M.P.

Medika d.d.
ZAGREB, Capraška 1
(signature of authorised person)

BALANCE SHEET
balance as at 31.03.2011

Issuer: **MEDIKA D.D.**

Description	AOP mark	Previous period	Current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	328.468.502	367.706.830
I. INTANGIBLE ASSETS (004 to 009)	003	133.845.657	174.757.584
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	95.601.190	96.601.286
3. Goodwill	006	38.063.806	77.896.479
4. Advances for intangible assets	007		
5. Intangible assets under construction	008	150.113	116.303
6. Other intangible assets	009	30.548	143.516
II. TANGIBLE ASSETS (011 to 019)	010	172.600.037	171.098.997
1. Land	011	16.515.477	16.515.477
2. Buildings	012	131.117.126	129.120.267
3. Equipment and machinery	013	7.742.865	8.052.508
4. Furniture, fittings and vehicles	014	13.246.831	13.986.012
5. Biological assets	015		
6. Advances for tangible assets	016	84.780	3.911
7. Tangible assets under construction	017	3.097.407	2.651.597
8. Other tangible assets	018	795.751	769.225
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	19.290.772	19.025.820
1. Investment in subsidiaries and associates	021	17.254.244	17.493.322
2. Loans to related parties	022		
3. Loans given to minority interest	023		
4. Loans given to participating parties	024		
5. Investment in securities	025	12.979	12.979
6. Loans given, deposits and similar	026	2.023.549	1.519.519
7. Other non-current financial assets	027		
8. Investments at equity method	028		
IV. RECEIVABLES (030 to 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables for credit sales	031		
3. Other receivables	032		
V. DEFFERED TAX ASSET	033	2.732.036	2.824.429
C) CURRENT ASSETS (035+043+050+058)	034	1.354.266.909	1.453.288.563
I. INVENTORY (036 To 042)	035	243.283.950	227.390.843
1. Raw material	036	471.517	492.192
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	238.821.264	224.842.908
5. Advances for inventories	040	3.991.169	2.055.743
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.041.465.987	1.159.944.407
1. Receivables from related parties	044		
2. Trade receivables	045	1.031.315.730	1.148.680.089
3. Receivables from participating parties	046		
4. Receivables from employees	047	4.139.567	3.719.658
5. Receivables from the state and other institutions	048	4.140.137	3.438.285
6. Other receivables	049	1.870.553	4.106.375
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	38.266.670	44.777.931
1. Investment in subsidiaries and associates	051		
2. Loans to related parties	052		
3. Equity investments	053		
4. Loans given to participating parties	054		
5. Investment in securities	055	36.096.257	43.551.778
6. Loans given, deposits and similar	056	2.170.413	1.226.153
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	31.250.302	21.175.382
D) PREAPID EXPENSES AND ACCRUED INCOME	059	1.217.043	1.240.219
E) TOTAL ASSETS (001+002+034+059)	060	1.683.952.454	1.822.235.612
G) OFF BALANCE SHEET ITEMS	061	127.975.856	149.102.392

EQUITY AND LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	315.376.800	328.140.003
I. SHARE CAPITAL	063	60.388.000	60.388.000
II. CAPITAL RESERVES	064	-4.258.313	-6.863.284
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	065	82.275.985	91.423.724
1. Legal reserves	066	2.729.945	7.277.713
2. Reserves for treasury shares	067	60.000.000	60.000.000
3. Treasury shares	068	12.250.450	7.650.479
4. Statutory reserves	069		
5. Other reserves	070	31.796.490	31.796.490
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	152.232.994	172.129.010
1. Retained earnings	073	152.232.994	172.129.010
2. Accumulated loss	074		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	075	24.738.134	11.062.553
1. Profit for the period	076	24.738.134	11.062.553
2. Loss for the period	077		
VII. MAJORITY INTERESTS	078		
B) PROVISIONS (080 To 082)	079	402.284	402.284
1. Provisions for retirement, severance payment and similar	080	402.284	402.284
2. Tax provisions	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 to 092)	083	210.976.855	166.117.973
1. Liabilities to related parties	084		
2. Borrowings and deposits	085		
3. Liabilities to banks and other financial institutions	086	200.326.490	155.467.603
4. Liabilities for advances received	087		
5. Trade payables	088		
6. Liabilities for securities	089		
7. Liabilities to participating parties	090		
8. Other non-current liabilities	091		
9. Deferred tax liability	092	10.650.365	10.650.370
D) CURRENT LIABILITIES (094 to 105)	093	1.153.378.478	1.324.562.538
1. Liabilities to related parties	094		
2. Borrowings and deposits	095		
3. Liabilities to banks and other financial institutions	096	92.771.459	174.335.794
4. Liabilities for advances received	097	1.867.124	
5. Trade payables	098	984.558.130	1.067.504.814
6. Liabilities for securities	099	35.482.060	21.652.824
7. Liabilities to participating parties	100		
8. Liabilities to employees	101	7.795.827	7.195.640
9. Liabilities for taxes and contributions	102	4.702.097	4.837.793
10. Dividend payables	103	84.977	297.091
11. Liabilities for non-current assets available for sale	104		
12. Other current liabilities	105	26.116.804	48.738.582
E) DEFERRED INCOME AND ACCRUED EXPENSES	106	3.818.037	3.012.814
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.683.952.454	1.822.235.612
G) OFF BALANCE SHEET ITEMS	108	127.975.856	149.102.392
SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders	109		
2. Attributable to minority interest	110		

Note 1.: Supplement to balance sheet is filled for consolidated financial statements.

PROFIT AND LOSS
in period 01.01.2011. to 30.06.2011.

Issuer: MEDIKA D.D.

Description	AOP mark	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING REVENUES (112+113)	111	1.013.483.422	512.590.352	1.087.570.524	556.406.462
1. Revenues from sale	112	1.008.475.577	509.501.397	1.081.427.438	552.211.720
2. Other operating revenues	113	5.007.845	3.088.955	6.143.086	4.194.742
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	997.123.867	507.431.217	1.063.630.743	548.196.519
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	919.761.266	466.895.068	983.537.242	505.050.222
a) Raw materials	117	5.035.258	2.698.671	5.282.128	2.490.375
b) Cost of goods sold	118	901.140.383	456.671.509	962.208.197	494.238.105
c) Other expenses	119	13.585.625	7.524.888	16.046.917	8.321.742
3. Employee expenses (121 to 123)	120	41.466.291	20.953.523	43.107.328	21.957.784
a) Net salaries	121	23.194.691	11.759.893	24.865.303	12.666.440
b) Tax and contributions from salaries	122	12.225.615	6.138.205	11.956.456	6.388.861
c) Contributions on salaries	123	6.045.985	3.055.425	6.285.569	3.199.586
4. Depreciation and amortization	124	9.356.595	4.662.253	9.145.724	4.497.736
5. Other expenses	125	20.538.862	11.919.520	17.952.778	11.746.941
6. Impairment (127+128)	126	6.000.853	3.000.853	9.887.671	4.943.836
a) of non-current assets (financial assets excluded)	127				
b) of current assets (financial assets excluded)	128	6.000.853	3.000.853	9.887.671	4.943.836
7. Provisions	129				
8. Other operating expenses	130				
III. FINANCE INCOME (132 to 136)	131	11.916.498	7.012.140	3.933.380	2.937.919
1. Interests, foreign exchanges and dividend from related parties	132				
2. Interests, foreign exchanges and dividend from non-related parties	133	11.916.498	7.012.140	3.933.380	2.937.919
3. Share of profit from associate	134				
4. Unrealised gains	135				
5. Other financial income	136				
IV. FINANCE EXPENSES (138 to 141)	137	14.868.998	7.622.753	12.422.610	7.118.561
1. Interests, foreign exchanges and dividend from related parties	138				
2. Interests, foreign exchanges and dividend from non-related parties	139	14.868.998	7.622.753	12.422.610	7.118.561
3. Unrealised losses	140				
4. Other finance expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATE	142				
VI. SHARE OF LOSS FROM ASSOCIATE	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	1.025.399.920	519.602.492	1.091.503.904	559.344.381
X. TOTAL EXPENSES (114+137+143 + 145)	147	1.011.992.865	515.053.970	1.076.053.353	555.315.080
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	13.407.055	4.548.522	15.450.551	4.029.301
1. Profit before tax (146-147)	149	13.407.055	4.548.522	15.450.551	4.029.301
2. Loss before tax (147-146)	150	0	0	0	0
XII. INCOME TAX	151	3.810.529	1.222.580	4.387.998	1.042.556
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	9.596.526	3.325.942	11.062.553	2.986.745
1. Profit for the period (149-151)	153	9.596.526	3.325.942	11.062.553	2.986.745
2. Loss for the period (151-148)	154	0	0	0	0

SUPPLEMENT TO PROFIT AND LOSS (for consolidated financial statements)

XIV. PROFIT OR LOSS FOR THE PERIOD

1. Attributable to equity holders	155				
2. Attributable to minority interest	156				

OTHER COMPREHENSIVE INCOME REPORT (for IFRS reporting)

I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	9.596.526	3.325.942	11.062.553	2.986.745
II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (159 to 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159				
2. Changes in revaluation reserves for non-current tangible and intangible assets	160				
3. Profit or loss from revaluation of financial assets available for sale	161				
4. Gains or losses from efficient cash flow hedging	162				
5. Gains or losses from efficient hedge of net investment abroad	163				
6. Share in other comprehensive profit/loss of associates	164				
7. Actuarial gains/losses on defined benefit plans	165				
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (158-166)	167	0	0	0	0
V. COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167)	168	9.596.526	3.325.942	11.062.553	2.986.745

APPENDIX to Other comprehensive income report (to be filled for consolidated financial statements)

VI. COMPREHENSIVE PROFIT OR LOSS

1. Attributable to equity holders	169				
2. Attributable to minority interest	170				

STATEMENT OF CASH FLOW - Indirect method
in period 01.01.2011. do 30.06.2011.

Issuer: _MEDIKA D.D._			
Description	AOP mark	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	13.407.055	15.450.551
2. Depreciation and amortisation	002	9.356.595	9.145.724
3. Increase of current liabilities	003	140.417.587	89.427.182
4. Decrease of current receivables	004		
5. Decrease of inventories	005	11.894.786	15.893.106
6. Other increase of cash flow	006		
I. Total increase of cash flow from operating activities (001 to 006)	007	175.076.023	129.916.563
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	113.051.016	118.285.877
3. Increase of inventories	010		
4. Other decrease of cash flow	011	6.289.278	6.486.621
II. Total decrease of cash flow from operating activities (008 to 011)	012	119.340.294	124.772.498
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	55.735.729	5.144.065
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of tangible and intangible assets	015	482.453	101.016
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	217.743	179.116
4. Dividends received	018		
5. Other proceeds from investing activities	019	70.956	
III. Total proceeds from investing activities (015 to 019)	020	771.152	280.132
1. Purchase of tangible and intangible assets	021	15.644.146	48.556.611
2. Purchase of equity and debt securities	022		
3. Other purchases resulting from investing activities	023		
IV. Total purchases resulting from investing activities (021 to 023)	024	15.644.146	48.556.611
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	14.872.994	48.276.479
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	102.253.997	102.545.740
3. Other proceeds from financing activities	029		
V. Total proceeds from financing activities (027 to 029)	030	102.253.997	102.545.740
1. Repayments of borrowings	031	105.473.214	68.269.207
2. Dividends paid	032		82.235
3. Repayments of finance lease	033	1.201.057	1.136.804
4. Purchase of treasury shares	034		
5. Other purchases resulting from financing activities	035		
VI. Ukupno novčani izdaci od finansijskih aktivnosti (031 to 035)	036	106.674.271	69.488.246
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	0	33.057.494
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	4.420.274	0
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	36.442.461	0
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	10.074.920
Cash and cash equivalents at beginning of the period	041	49.838.047	31.250.302
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	36.442.461	10.074.920
Cash and cash equivalents at end of the period	044	13.395.586	21.175.382

STATEMENT OF CHANGES IN EQUITY
for period from 1.1.2011 to 30.6.2011

Description 1	AOP mark 2	Previous period 3	Current period 4
1. Share capital	001	60.388.000	60.388.000
2. Capital reserves	002	-4.258.313	-6.863.284
3. Reserves from retained earnings	003	82.275.985	91.423.724
4. Retained earnings or accumulated loss	004	152.232.994	172.129.010
5. Profit or loss for the period	005	24.738.134	11.062.553
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 to 009)	010	315.376.800	328.140.003
11. Foreign exchanges from the foreign investments	011		
12. Current and defferd tax (part)	012		
13. Cash flow hedge	013		
14. Cgchanges of accounting policies	014		
15. Correction of material mistakes from previous period	015		
16. Other changes of equity	016		
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to equity holders	018		
17 b. Attributable to minority interest	019		

Stavke koje umanjuju kapital upisuju se s negativnim predznakom
Podaci pod AOP oznakama 001 do 009 upisuju se kao stanje na datum bilance



Medika

Dioničko društvo za trgovinu lijekovima i sanitetskim materijalom

A Capraška 1, HR - 10000 Zagreb
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Zagreb, 29 July 2011

Pursuant to the articles 407. to 410. of the Capital market Law (Official Gazette 88/08 and 146/08) Management Board member Jasminko Herceg provides

MANAGEMENT BOARD'S STATEMENT OF LIABILITY

Consolidated and unconsolidated financial statements of Medika d.d. have been prepared pursuant to the International Financial Reporting Standards (IFRS) and Croatian Accounting Law.

Consolidated and unconsolidated financial statements for the period ended 30 June 2011 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company and the Group.

The interim management report for the period ended 30 June 2011 presents true and fair presentation of development and results of the operations of the Company and the Group with description of significant risks and uncertainties for the Company and the Group.

Jasminko Herceg
Management Board member

³ Medika d.d
ZAGREB, Capraška