

**INTERIM REPORT
for first quarter 2011
Medika Group**

April 2011

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

Comment on the result for first quarter of 2011

As at 31 March 2011 Medika Group consists of Medika d.d., mother company, subsidiaries are Primus Nekretnine d.o.o., registred 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) and Zdravstvena ustanova Ljekarne Ines Škoko (Požega). These subsidiaries are wholly owned by ZU Ljekarne Prima Pharme.

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

Sales revenue of Medika in the first quarter of 2011 is by 6.06% 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 31 March 2011 is 58, while as at 31 March 2010 there were 49 pharmacies. Associate ZU Ljekarne Jagatić as at 31 March has 7 pharmacies (2 pharmacies more than on 31 March 2010).

The operative profit rate EBIT amounts to HRK 15.7 mil or 2.96% and EBITDA amounts to HRK 20.4 mil or 3.84 %.

The realized net profit amounts to HRK 8.1 mil.

Key indicators	I-III 2011	I-III 2010	Change I-III 2011 / I-III 2010
Sales revenue (000 HRK)	529,195	498,974	6.06%
EBITDA margin	3.84	3.24	+0.60%
EBIT margin	2.96	2.30	+0.66%
Net profit (000 HRK)	8,076	6,271	28.78%

Key events

Pharmaceutical market has shown growth in the first three months of 2011 comparing to the same period of previous year. Despite of growth of sales revenue in the first three months comparing to the same period of previous year, market share of Medika is lower due to the lower sales revenue in the pharmacies. Reason for lower sales revenue and market share in pharmacies is loss of sales in Gradska Ljekarna Zagreb.

