

Management Board interim report for the temporary unaudited annual consolidated financial statements for 2013

Medika d.d. Zagreb

Group Medika



Report Submitted by Director

Comment on temporary unaudited consolidated financial statements for the fourth quarter of 2013

In accordance with the prescribed deadlines for submitting financial statements for the fourth quarter of 2013, Medika d.d. has prepared temporary unaudited consolidated financial statements which present approximate consolidated balance sheet as at 31 December 2013, approximate consolidated profit and loss statement for the fourth quarter and approximate consolidated statement of cash flow.

We stress out that these consolidated financial statements are temporary and as such are not approved by the Supervisory Board. Furthermore, consolidated financial statements are unaudited and investors should not take them as a basis for their investment decisions, but they should merely use them as approximate info until the publishing of the final results, since there may be differences between temporary and final results.

Publishing of the final results (annual audited financial statements) for the Company and the Group is expected by 31 March 2014.

With the above stated, Management Board does not comment financial statements, but only presents key events for the Company and the Group in 2013.

Key events

Share capital has increased for HRK 33.8 million and amounts to HRK 94.2 million. Based on the decision passed by General Assembly as at 16 May 2013, Trade Court has passed decision as at 05 July 2013 on inscribing increase of share capital by increasing the nominal value of shares. Nominal value per share was increased from HRK 2,000.00 per share to HRK 3,120.00 per share.

Total pharmaceutical market in 2013 has decreased comparing to the previous year. At the same time, sales of Medika have decreased in lower percentage comparing to the market, so the market share has grown in 2013.

In June 2013 recovery of clinical hospitals was performed. At the same time, HZZO has shortened the period in which it pays to the pharmacies so the cash inflow was increased in the second quarter of 2013. Received funds were used to decrease indebtness and for settling liabilities to suppliers. However, in the third and fourth quarter, cash inflow was significantly lower and indebtness was increased for the liquidity purposes.

During the first quarter of 2013 business centre Osijek was moved to the new (leased) location and the process of obtaining the licences for the new distributive warehouse centre in Osijek has begun. During the fourth quarter of 2013 demolition of existing buildings has begun at the location where the new distributive warehouse centre will be built.

During 2013 Ljekarna Alagić, ZU Ljekarne Čaić and Ljekarna Ksenija Gabrić were merged with ZU Ljekarne Prima Pharme.



Expected future development of the Group

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.

Treasury shares

During 2013 in total 715 treasury shares were granted to the key management and the Company obtained in total 230 treasury shares.

After these transactions, Medika holds 1,155 treasury shares.

Subsidiaries and associates

The Company has 100% of ownership in subsidiary Zdravstvena ustanova Ljekarne Prima Pjarme and assosiate Litmus d.o.o. in which it holds 41.53% of ownership.

ZU Ljekarne Prima Pharme has 100% of ownership ZU Ljekarne Delonga, ZU Ljekarne Ines Škoko, ZU Ljekarne Atalić, Ljekarna Elvira Štimac and associate ZU Ljekarne Jagatić in which it holds 49% of ownership.

During 2013 Ljekarna Alagić, ZU Ljekarne Čaić and Ljekarna Ksenija Gabrić were merged with ZU Ljekarne Prima Pharme.

Related parties

The company with major voting rights, or a parent company Mavota d.o.o. owns 47.38% of the Company and has 49.26% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 26.33% of the voting rights. Given the share in the ownership and business transactions with the Company, Pliva Hrvatska has significant influence on the current operations of the Company.



Financial risks and exposure to price risk, credit risk, liquidity and cash flow risk

Within financial risks, foreign exchange risk is significant. The majority of Group's income is realised on domestic market in Croatian kuna. The Group's purchase of goods is predominantly realised on the foreign market. Furthermore, a part of the borrowings is linked to foreign currencies. The Group is therefore exposed to foreign exchange risk arising from various changes in foreign exchange rates mainly linked to the EUR.

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group does not use derivative instruments to actively hedge cash flow and fair value interest rate risk exposure. However, the Group continuously monitors changes in interest rates. Various scenarios are simulated taking into account refinancing, renewal of existing positions and alternative financing.

Price risk arises from 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, the Group focused on increase of variety of products which are not limited by law in respect of the price of the product.

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.

The most significant risk 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 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.

Jasminko Herceg, dipl.oec.

ZAGREB Capraise

Appendix 1. Reporting period:					***************************************
Reporting period:		1.1.2013	do	31.12.2013	The second secon
	Quarta	ırly financial stat	ements TFI-POD		Average Property
Registration number (MB)	03209741				
Identification number o company (MBS)					
Personal identification number (OIB)	94818858923				
	MEDIKA d.d.	***************************************	*****	W-1	
Postal code and city	10000	ZAGREB			
Address	CAPRAŠKA				
e-mail	medika.uprava@medi	ka.hr			
web page	www.medika.hr	***************************************		····	
Code and name or municipality/city					PRINT ALL PRINTERS
Code and county name.		REB	Į.	Number of employees:	745
Consolidated statements:	YES			(end of reporting period) NKD code:	4646
Consolidating entities (according to IFRS):	Headq	uarters:	MB:	
ZU	Ljekarne Prima Pharme		Split	0694975	
	ZU Ljekarne Delonga		Okrug Gornji	1605747	
	ZU Ljekarne Ines Škoko		Zagreb	02708396	
	ZU Ljekarne Atalić		Osijek	0845124	
	Ljekarna Elvira Štimac		Opatija	80005110	
Bookkeeping service:		***************************************	Market		
Contact person:	RADMILOVIĆ DIJANA				
·	(only surname and name	of contact person)			
Telephone number:			Fax: [12371441	
	medika.uprava@medil	ka.hr_			
Name:	HERCEG JASMINKO (authorised person)	11.			
		ofit and loss account, Ci	ash flow statements, Sta	tements of changes in equity	,
2. Interim report,			9 m	MARIEN	
3. Statement of L	iability.				194 1. 4 ·
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		M.P. /	(sigr	nature of authorised person)	X &
				7)	

BALANCE SHEET balance as at 31.12.2013

Issuer: MEDIKA d.d.	AOP	I Orașilaria	
Description	mark	Previous period	Current period
1	2	3	4
ASSETS			· · · · · · · · · · · · · · · · · · ·
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	401.271.400	400.648.651
I. INTANGIBLE ASSETS (004 to 009)	003	190.018.605	192,630,109
Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	119.368.923	114.946.893
3. Goodwill	006	69,067,158	71.933.150
4. Advances for intangible assets	007		3.912.433
5. Intangible assets under construction	008	1.431.474	1,837,633
6. Other intangible assets	009	151,050	
II. TANGIBLE ASSETS (011 to 019)	010	159.679.286	155.425.748
1. Land	011	15.994.715	15,994.715
2. Buildings	012	114.021.920	108.266.769
Equipment and machinery	013	6.849.842	4,780,720
4. Furniture, fittings and vechicles	014	12.926.956	10.274.130
5. Biological assets	015	12.020.000	10.274.130
Advances for tangible assets	016	75,911	5.989.767
7. Tangible assets under construction	017	9,062,792	9.365.697
8. Other tangible assets	018	747.150	753,950
9. Investment property	019	1 17.700	1 20,000
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	50.542.468	49,727.004
Investment in subsidiaries and associates	021	39.930.648	39.354.657
2. Loans to related parties	021	33.330.040	
3. Loans given to minority interest	023		
4. Loans given to participating parties	023		
5. Investment in securities	025		
6. Loans given, deposits and similar		10.611.820	10 272 247
7. Other non-current financial assets	026	10.011.020	10.372.347
8. Investments at equity method	027		
IV. RECEIVABLES (030 to 032)	028	ļ	4 077 700
Receivables from related parties	029	<u> </u>	1.877.708
Receivables for credit sales	030		
3. Other receivables	031		4 0 77 700
V. DEFFERED TAX ASSET	032		1.877.708
C) CURRENT ASSETS (035+043+050+058)	033	1.031,041	988.082
	034	1.614.749.646	1.557.326.178
I. INVENTORY (036 To 042) 1. Raw material	035	216.662.233	239,296.937
	036	402.359	420.970
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	214.425.320	237.687.713
5. Advances for inventories	040	1.834.554	1.188.254
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.378.079.533	1.201.075.492
Receivables from related parties	044	20.129.487	17.413.787
2. Trade receivables	045	1.347.386,888	1.172,110.386
Receivables from participaring parties	046		***************************************
4. Receivables from employees	047	2.933.763	782.142
5. Receivables from the state and other institutions	048	5.838.255	6.736.656
6. Other receivables	049	1,791.140	4.032,521
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	467.595	50.405.113
Investment in subsidiaries and associates	051		
2. Loans to related parties	052		
3. Equity investments	053		
Loans given to participating parties	054		
5. Investment in securities	055	878	
Loans given, deposits and similar	056	466.717	50.405.113
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	19.540.285	66.548.636
D) PREAPID EXPENSES AND ACCRUED INCOME	059	1.112.739	920.048
E) TOTAL ASSETS (001+002+034+059)	060	2.017.133.785	1,958.894.877
G) OFF BALANCE SHEET ITEMS	061	191.982.318	185.013.175

SHARE CAPITAL 10.42	EQUITY AND LIABILITIES			·
SHARE CAPITAL 10.42	A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	375,304,880	421,213,894
II. CAPITAL RESERVES 064	I. SHARE CAPITAL			94.205.280
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070) 065 8.5.667 #10 88.587.7 7.277.7 7.	II. CAPITAL RESERVES			-9.243.180
1. Legal reserves 066 7.277.73 7.277.7 2. Reserves for treasury shares 067 60.000.000 60.000.000 3. Treasury shares 068 15.406.393 10.486.4 4. Statututory reserves 069 15.50 Other reserves 070 31.796.490 11.796.4 5. Other reserves 071 V. V. REVALUATION RESERVES 071 V. V. REVALUATION RESERVES 072 190.520.524 204.974.5 20.4974.5	III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)			88.587.743
2. Reserves for treasury shares 067 60,000.00 60,000.00 3. Treasury shares 068 15,409,393 10,480,4 4. Statututory reserves 069 1 5. Other reserves 070 31,796,499 1,796,499 V. REVALUATION RESERVES 071 1 V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074) 072 190,520,524 204,974,5 1. Retained earnings 073 190,520,524 204,974,5 2. Accumulated loss 077 1 10,520,524 204,974,5 VI. PROFIT OR LOSS FOR THE PERIOD (076-077) 075 48,271,353 42,689,4 VI. PROFIT OR LOSS FOR THE PERIOD (076-077) 076 48,271,353 42,689,4 VI. IMANORITY INTERESTS 078 077 10,000,000 10,0				
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5. Trade payables 088 6. Liabilitis for securities 089 7. Liabilities to participating parties 090 8. Other non-current liabilities 091 9. Deferred tax liabilitity 092 15.341.777 15.790.1 D) CURRENT LIABILITIES (094 to 105) 093 1.487.431.652 1.506.323.8 1. Liabilities to related parties 094 165.181.135 122.721.7 2. Borrowings and deposits 095 095 095 3. Liabilities to banks and other financial institutions 096 191.835.452 333.785.4 4. Liabilities for advances received 097 803.234 420.8 5. Trade payables 098 1.092.523.997 1.026.425.4 6. Liabilities for securities 099 1.026.425.4 7. Liabilities to participating parties 100 8. Liabilities to employees 101 9.810.439 7.661.9 9. Liabilities to employees 101 9.810.439 7.661.9 9. Liabilities to employees 102 6.497.959 6.876.0 10. Dividend payables 103 1.034 1.03 11. Liabilities for non-current assets available for sale </td <td>Liabilites to banks and other financial institutions</td> <td>086</td> <td>136.976.412</td> <td>12.815.755</td>	Liabilites to banks and other financial institutions	086	136.976.412	12.815.755
6. Liabilitis for securifies 7. Liabilities to participating parties 8. Other non-current liabilities 9. Deferred tax liability 9. Deferred tax liability 10. CURRENT LIABILITIES (094 to 105) 11. Liabilities to related parties 12. Borrowings and deposits 13. Liabilities to banks and other financial institutions 14. Liabilities to banks and other financial institutions 15. Trade payables 16. Liabilities for advances received 16. Liabilities for securities 17. Liabilities to participating parties 18. Liabilities to participating parties 19. Liabilities to participating parties 100 10. Liabilities to employees 101 10. Dividend payables 102 10. Dividend payables 103 11. Liabilities for non-current assets available for sale 10. Other current liabilities 105 106 107 107 108 109 109 109 109 109 109 109 109 109 109	4. Liabilites for advances received	087		•
7. Liabilities to participating parties 090 8. Other non-current liabilities 091 9. Deferred tax liability 092 15.341.777 15.790.19 D) CURRENT LIABILITIES (094 to 105) 093 1.487.431.652 1.506.323.81 1. Liabilities to related parties 094 165.181.135 122.721.74 2. Borrowings and deposits 095 3 1.487.431.652 333.785.4 3. Liabilities to banks and other financial institutions 096 191.835.452 333.785.4 4. Liabilities for advances received 097 803.234 420.8 5. Trade payables 098 1.092.523.997 1.026.425.4 6. Liabilities for securities 099 7. Liabilities to participating parties 100 7. Liabilities to employees 101 9.810.439 7.661.9 9. Liabilities for taxes and contributions 102 6.497.959 6.876.0 10. Dividend payables 103 1.034 1.03 11. Liabilities for non-current assets available for sale 104 1.04 12. Other current liabilities 105 20.778.402 8.431.4 13. DEFFERED INCOME AND ACCRUED EXPENSES	5. Trade payables	088		
8. Other non-current liabilities 091 9. Deferred tax liabilitity 092 15.341.777 15.790.19 D) CURRENT LIABILITIES (094 to 105) 093 1.487.431.652 1.506.323.8 1. Liabilities to related parties 094 165.181.135 122.721.79 2. Borrowings and deposits 095 3 1.506.323.80 3. Liabilities to banks and other financial institutions 096 191.835.452 333.785.40 4. Liabilities for advances received 097 803.234 420.8 5. Trade payables 098 1.092.523.997 1.026.425.4 6. Liabilities for securities 099 7 7. Liabilities to participating parties 100 9 8. Liabilities to employees 101 9.810.439 7.661.9 9. Liabilities for taxes and contributions 102 6.497.959 6.876.0 10. Dividend payables 103 1.034 1.00 11. Liabilities for non-current assets available for sale 104 1.00 12. Other current liabilities 105 20.778.402 8.431.40 12. Other current liabilities 106 1.399.854 1.950.90 <td>6. Liabilitis for securities</td> <td>089</td> <td></td> <td></td>	6. Liabilitis for securities	089		
8. Other non-current liabilities 091 9. Deferred tax liabilitity 092 15.341.777 15.790.19 D) CURRENT LIABILITIES (094 to 105) 093 1.487.431.652 1.506.323.8 1. Liabilities to related parties 094 165.181.135 122.721.79 2. Borrowings and deposits 095 3 1.22.721.79 3. Liabilities to banks and other financial institutions 096 191.835.452 333.785.4 4. Liabilities for advances received 097 803.234 420.8 5. Trade payables 098 1.092.523.997 1.026.425.4 6. Liabilities for securities 099 7 7. Liabilities to participating parties 100 100 8. Liabilities to employees 101 9.810.439 7.661.9 9. Liabilities for taxes and contributions 102 6.497.969 6.876.0 10. Dividend payables 103 1.034 1.00 11. Liabilities for non-current assets available for sale 104 104 12. Other current liabilities 105 20.778.402 8.431.4 12. Other current liabilities 106 1.399.854 1.950.90	7. Liabilities to participating parties	090		
Discrimination of the property of the proper	8. Other non-current liabilities	091		
Description	9. Deferred tax liability		15.341.777	15.790.106
1. Liabilities to related parties 094 165.181.135 122.721.77 2. Borrowings and deposits 095 3 195.881.135 122.721.77 3. Liabilities to banks and other financial institutions 096 191.835.452 333.785.4 420.8 4. Liabilities for advances received 097 803.234 420.8 5. Trade payables 098 1.092.523.997 1.026.425.4 6. Liabilities for securities 099	D) CURRENT LIABILITIES (094 to 105)			1.506.323.831
2. Borrowings and deposits 095 3. Liabilities to banks and other financial institutions 096 191.835.452 333.785.4 4. Liabilities for advances received 097 803.234 420.8 5. Trade payables 098 1.092.523.997 1.026.425.4 6. Liabilities for securities 099 1.00 1.00 7. Liabilities to participating parties 100 101 9.810.439 7.661.93 9. Liabilities for taxes and contributions 102 6.497.959 6.876.0 10. Dividend payables 103 1.034 1.03 11. Liabilities for non-current assets available for sale 104 1.00 12. Other current liabilities 105 20.778.402 8.431.40 E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.97 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.80	Liabilities to related parties	······	4	122,721,702
3. Liabilites lo banks and other financial institutions 096 191.835.452 333.785.4 4. Liabilites for advances received 097 803.234 420.8 5. Trade payables 098 1.092.523.997 1.026.425.4 6. Liabilitis for securities 099 1.00 1.00 7. Liabilities to participating parties 100 101 9.810.439 7.661.93 9. Liabilities for taxes and contributions 102 6.497.959 6.876.0 10. Dividend payables 103 1.034 1.03 11. Liabilities for non-current assets available for sale 104 1.00 12. Other current liabilities 105 20.778.402 8.431.40 E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.97 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.80			1	,,
4. Liabilites for advances received 097 803.234 420.8 5. Trade payables 098 1.092.523.997 1.026.425.4 6. Liabilities for securities 099 1.002.523.997 1.026.425.4 7. Liabilities to participating parties 100 100 100 8. Liabilities to employees 101 9.810.439 7.661.9 9. Liabilities for taxes and contributions 102 6.497.959 6.876.0 10. Dividend payables 103 1.034 1.03 11. Liabilities for non-current assets available for sale 104 104 12. Other current liabilities 105 20.778.402 8.431.4 E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.97 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.87			191 835 452	333 785 448
5. Trade payables 098 1.092.523.997 1.026.425.4 6. Liabilities for securities 099 1.002.523.997 1.026.425.4 7. Liabilities to participating parties 100 100 100 8. Liabilities to employees 101 9.810.439 7.661.9 9. Liabilities for taxes and contributions 102 6.497.959 6.876.0 10. Dividend payables 103 1.034 1.03 11. Liabilities for non-current assets available for sale 104 104 12. Other current liabilities 105 20.778.402 8.431.44 E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.97 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.87				420,814
6. Liabilitis for securities 099 7. Liabilities to participating parties 100 8. Liabilities to employees 101 9.810.439 7.661.93 9. Liabilities for taxes and contributions 102 6.497.959 6.876.03 10. Dividend payables 103 1.034 1.034 11. Liabilities for non-current assets available for sale 104 12. Other current liabilities 105 20.778.402 8.431.44 E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.93 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.83			.]	
7. Liabilities to participating parties 100 8. Liabilities to employees 101 9.810.439 7.661.91 9. Liabilities for taxes and contributions 102 6.497.959 6.876.01 10. Dividend payables 103 1.034 1.034 11. Liabilities for non-current assets available for sale 104 105 12. Other current liabilities 105 20.778.402 8.431.44 E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.97 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.81	2008/2000		7.002.020.007	1.020.420.417
8. Liabilities to employees 101 9.810.439 7.661.93 9. Liabilities for taxes and contributions 102 6.497.959 6.876.0 10. Dividend payables 103 1.034 1.034 11. Liabilities for non-current assets available for sale 104 20.778.402 8.431.44 12. Other current liabilities 105 20.778.402 8.431.44 E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.97 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.81				
9. Liabilites for taxes and contributions 102 6.497,959 6.876.0 10. Dividend payables 103 1.034 1.03 11. Liabilities for non-current assets available for sale 104 105 20.778.402 8.431.4 12. Other current liabilities 105 20.778.402 8.431.4 1.950.97 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.81		the second second	0.040.420	7 664 097
10. Dividend payables 103 1.034 1.034 11. Liabilities for non-current assets available for sale 104 104 12. Other current liabilities 105 20.778.402 8.431.40 E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.96 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.81				
11. Liabilites for non-current assets available for sale 104 12. Other current liabilities 105 20.778.402 8.431.40 E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.90 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.80				
12. Other current liabilities 105 20.778.402 8.431.40 E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.90 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.80			1,034	1.034
E) DEFFERED INCOME AND ACCRUED EXPENSES 106 1.399.854 1.950.97 F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.87				
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) 107 2.017.133.785 1.958.894.8			ed construction	
5) UTF BALANCE SHEET HEMS 108 191,982,318 185,013.13	*			
DUDDI PRIGNITATA DI LA LA LA CALLADA DE LA LA LA CALLADA DE LA LA CALLADA DE LA CALLAD	,	108	191.982.318	185.013.175
	SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)			······································
	A) CAPITAL AND RESERVES	,		
	1. Attributable to equity holders		375.304.880	421.213.894
2. Attributable to minority interest 110	Attributable to minority interest	110		

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

PROFIT AND LOSS for period from 1.1.2013. to 31.12.2013

Obveznik: MEDIKA d.d.

Description	AOP mark	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
OPERATING REVENUES (112+113)	111	2.268.972.722	557,827,993	2.302.299.740	561.812.724
1. Revenues from sale	112	2.237.316.159	547.070.191	2.272.333.622	547.064.245
2. Other operating revenues	113	31.656.563	10.757.802	29.966.118	14.748.479
I. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	2.200.348.270	533.093.815	2.239.861.969	548.654.727
Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	2.036.803.924	487,258.358	2.069.921.079	499.138.897
a) Raw materials	117	12.633.174	3.637.520	13.413.231	3.879.569
b) Cost of goods sold	118	1,989,550,483	474.028.468	2.019.263.880	485.434.377
c) Other expenses	119	34,620,267	9.592.370	37.243.968	9.824.951
3. Employee expenses (121 to 123)	120	92,479,669	23.283.723	93.913,322	23,731,436
a) Net salaries	121	53.861.660	13.832.543	54.929.861	14.032,208
b) Tax and contributions from salaries	122	26.046.377	6.395 871	26.640.432	6.574.205
c) Contributions on salaries	123	12,571,632	3.055.309	12.343.029	3.125.023
4. Depreciation and amortization	124	16.205.486	3,996,495	15.840.717	4.142.001
5. Other expenses	125	36.909.389	15.544.485	45.396.042	21.201.584
6. Impairement (127+128)	126	17.814.851	2.875.803	14,181,136	-168.864
a) of non-current assets (financial assets excluded)	127	240.095	240.095	17,101.100	-100.001
b) of current assets (financial assets excluded)	128	17.574.756	2.635.708	14.181.136	-168.864
7. Provisions	129	134.951	134.951	609.673	609,673
8. Other operating expenses	130	104.507	104.551	048,473	003,013
II. FINANCE INCOME (132 to 136)	131	7.496.335	-1.999.710	5.545.031	601.565
1. Interests, foreign exchanges and dividend from related parties	132	7.430,333	-594.388	920,261	-253.160
2. Interests, foreign exchanges and dividend from non-related parties	133	6.251,150	-2.650,507	4.624.770	854.725
3. Share of profit from associate	134	1.245.185	1,245,185	4,024,170	554.12.5
4. Unrealised gains	135	1.245.165	1,243,103		
5. Other financial income	136	· · · · · · · · · · · · · · · · ·			
V. FINANCE EXPENSES (138 to 141)	137	24,508,334	6.787.270	22,648.352	5.530.910
1. interests, foreign exchanges and dividend from related parties	138	135.878	82.571	288.529	-59.675
2. Interests, foreign exchanges and dividend from non-related parties	139	24.372.456	6.704.699	22,359,823	
3. Unrealised losses		24.372.430	0.(04.699)	22,359,623	5.590.585
4. Other finance expenses	140	-			
/. SHARE OF PROFIT FROM ASSOCIATE	141	<u> </u>			
Л. SHARE OF PROPIT FROM ASSOCIATE	142	1 1			
II. STARE OF LOSS FROM ASSOCIATE /II. EXTRAORDINARY - OTHER INCOME	143	-			
	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
X. TOTAL INCOME (111+131+142 + 144)	146	2.276.469.057	555,828,283	2.307.844.771	562.414.289
C. TOTAL EXPENSES (114+137+143 + 145)	147	2.224.856.604	539.881.085	2.262.510.321	554.185,637
(I. PROFIT OR LOSS BEFORE TAX (146-147)	148	51.612.453	15.947.198	45.334.450	8.228.652
1. Profit before tax (146-147)	149	51.612.453	15.947.198	45.334.450	8.228.652
2. Loss before tax (147-146)	150	0	0	0	0
(II. INCOME TAX	151	3.341.100	-4.090.117	2.644.996	-8.139.664
(III. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	48,271.353	20.037.315	42.689.454	16.368.316
1. Profit for the period (149-151)	153	48.271.353	20.037.315	42.689.454	16.368.316
2. Loss for the period (151-148)	154	0	0	0	0

XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Altributable to equity holders	155	48.271.353	20.037.315	42,689,454	16.368.316
2. Attributable to minority interest	156				
IZVJEŠTAJ O OSTALOJ SVEOBUHVATNOJ DOBITI (popunjava poduzetnik obveznik primj	ene MSFI-a)	······································			
L PROFIT OR LOSS FOR THE PERIOD (= 152)	157	48.271.353	20.037.315	42.689.454	16.368.316
II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (159 to 165)	158	О	0	o	
Exchage 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	1			
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	48.271.353	20.037.315	42.689.454	16.368.316
APPENDIX to Other comprehensive income report (to be filled for consolidated financial st	atements)	4		····	
VI. COMPREHENSIVE PROFIT OR LOSS					
1. Attributable to equity holders	169	48.271.353	20.037.315	42,689,454	16,368.316
2. Attributable to minority interest	170			5	

STATEMENT OF CASH FLOW - Indirect method

for period from 1.1.2013 to 31.12.2013

Description		Previous period	Current period
1	mark 2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	51.612.453	45,334,450
2. Depreciation and amortisation	002	16.205.486	15.840.717
3. Increase of current liabilities	003	181.769.716	***************************************
4. Decrease of current receivables	004		177.004,040
5. Decrease of inventories	005		
6. Other increase of cash flow	006		487.174
I. Total increase of cash flow from operating activities (001 to 006)	007	249.587.655	238.666.381
Decrease of current liabilities	008		123.057.817
2. Increase of current receivables	009	178.029.890	
3. Increase of inventories	010	2.804.197	22.634.704
4. Other decrease of cash flow	011	28.893.185	
II. Total decrease of cash flow from operating activities (008 to 011)	012	209.727.272	145.692.521
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	39.860.383	92.973.860
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	
CASH FLOW FROM INVESTING ACTIVITIES			,
Proceeds from sale of tangible and intangible assets	015	1.264.867	572.389
Proceeds from sale of equity and debt securities	016		
3. Interest received	017	568.677	1.770.783
4. Dividends received	018		
5. Other proceeds from investing activities	019		
III. Total proceeds from investing activities (015 to 019)	020	1.833.544	2.343.172
Purchase of tangible and intangible assets	021	24.337.064	14.198.683
Purchase of equity and debt securities	022		
Other purchases resulting from investing activities	023		
IV. Total purchases resulting from investing activities (021 to 023)	024	24.337.064	14.198.683
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	(
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	22.503.520	11.855.511
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	279.198.000	295.000.000
Other proceeds from financing activities	029		
V. Total proceeds from financing activities (027 to 029)	030	279.198.000	295.000.000
Repayments of borrowings	031	313.138.235	274.436.524
2. Dividends paid	032		
3. Repayments of finance lease	033	2.230.936	2.872.503
4. Purchase of treasury shares	034	2.224.228	1.680.971
Other purchases resulting from financing activities	035		50.120.000
VI. Ukupno novčani izdaci od financijskih aktivnosti (031 to 035)	036	317.593.399	329,109,998
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	0	
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	38,395,399	34.109.998
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	47.008.351
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	21.038.536	(
Cash and cash equivalents at beginning of the period	041	40.578.821	19.540.285
Increase of cash and cash equivalents	042	.]	47.008.35
Decrease of cash and cash equivalents	043	21.038.536	
Cash and cash equivalents at end of the period	044	19.540.285	66.548.636

STATEMENT OF CHANGES IN EQUITY

for period from 1.1.2013 to 31.12.2013

94.205.280 88.587.743 42.689.454 -9.243.180 204.974.597 421.213.894 Current period 83.667.810 60.388.000 190.520.524 48.271.353 375.304.880 -7.542.807 Previous period mark AOP 0001 0005 0005 0006 0007 0009 010 012 013 014 015 019 018 17. Total increase or decrease of equity (AOP 011 to 016) Description 15. Correction of material mistakes from previous period 8. Revaluation of financial assets available for sale 11. Foreign exchanges from the foreign investments 10. Total capital and reserves (AOP 001 to 009) 4. Retained earnings or accumulated loss 3. Reserves from retained earnings 14. Cghanges of accounting policies 17 b. Attributable to minority interest 7. Revaluation of intangible assets 17 a. Attributable to equity holders 6. Revaluation of tangible assets 12. Current and defferd tax (part) 5. Profit or loss for the period 16. Other changes of equity 9. Other revaluation 13. Cash flow hedge 2. Capital reserves 1. Share capital

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



Zagreb, 14 February 2014

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

MANAGEMENT BOARD'S STATEMENT OF LIABILITY

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

Temporary unaudited consolidated and unconsolidated financial statements for the period ended 31 December 2013 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 temporary unaudited financial statements for the period 01 January to 31 December 2013 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 Director