



Medika d.d.

Zagreb, Capraška 1

**INTERIM REPORT
for I-IX 2015
Medika d.d. Zagreb**

October 2015

Report Submitted by Director

Comment on the business results for the first nine months of 2015

Medika d.d. („Company“) has realised total revenue in the first nine months of 2015 in amount of HRK 1 billion 788.6 million which is by 8.09% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 1 billion 758.1 million for the first nine months of 2015 are by 7.45% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 98.29% while in the same period of previous year it was 98.87%.

Other operating revenues which amount to HRK 15.3 million are higher comparing to the same period of previous year by HRK 3.7 million. Since the share of other operating revenues in total revenue was only 0.70% in the first nine months of 2014, and in the first nine months of 2015 is only 0.86%, this increase is not that significant.

Out of the total sales revenues, 99.90% revenues are generated on domestic market, while 0.10% is generated on the foreign market. This structure in the first nine months of 2015 is almost on the same level comparing to the same period of previous year.

Material expenses amount to HRK 1 billion 664.4 million and are 7.66% higher comparing to the same period of previous year. Since the operating expenses are growing in lower percentage, share of material expenses in the operating expenses is higher for 0.12% comparing to the same period of previous year and amounts to 95.89%.

Employee expenses are higher by 3.18% comparing to the same period of previous year. Their share in the total expenses amounts to 2.22% while in the same period of previous year it amounted to 2.31%. Increase in employee expenses is influenced by higher number of employees.

Finance expenses have increased compared to the same period of previous year by HRK 1.5 million, which is 12.46%. Their share in the total expenses is by 0.03% higher compared to the same period of previous year and amounts 0.75%. This increase is the result of increase in foreign exchange differences and higher interest expenses as a result of higher average indebtedness in the first nine months of 2015 comparing to the same period of previous year:

Gross margin in the first nine months of 2014 amounted to 6.91%, while in the first nine months of 2015 amounts 6.66%, which is decrease of 0.25%. Decrease is a result of larger increase in net cost of goods sold comparing to the increase in net sales revenue.

Gross profit (profit before taxation) amounts to HRK 39.8 million, while in the same period of previous year amounted to HRK 28.9 million, which is increase of HRK 10.9 million, or 37.36%. Higher gross profit is result of greater increase of total income (increase of 8.09% comparing to the same period of previous year) in relation to the increase of total expenses (increase of 7.56% comparing to the same period of previous year).

Operative earnings amount to HRK 37.6 million and are by HRK 4.1 million, which is 12.26%, higher comparing to the same period of previous year.

Realised net profit amounts to HRK 29.8 million.

Transactions with the related parties in the first nine months of 2015 generated total revenues in amount of HRK 200.9 million, which is 2.07% less of generated revenue in the same period of previous year when it amounted to HRK 205.2 million. Decrease is a result of decrease of sale prices due to the changes of List of medicinal products.

Trade goods purchased from the related parties amount to HRK 129.5 million, while in the same period of previous year they amounted to HRK 137.3 million. Decrease is partly result of lower sales prices on List of medicinal products.

Total assets are by 4.86% higher comparing to the beginning of the year which is mostly influenced by increase of short term assets.

Long term assets have increased comparing to the beginning of the year for HRK 1.7 million, or 0.70%. Long term intangible assets are lower comparing to the beginning of the year for HRK 1.0 million. Since there was no significant additions in 2015, decrease is a result of amortization. Long term tangible assets have increased comparing to the beginning of the year for HRK 2.2 million. This is the result of new additions and increase in investment in new business centre Osijek. In April 2015 the investment in new business centre Osijek was activated.

Long term financial assets amounts to HRK 66.3 million and mostly relates to the investment in related parties.

Deferred tax assets are at the same level comparing to the beginning of the year.

Short term assets amount to HRK 1 billion 637.3 million and are by HRK 85.7 million, or 5.52%, higher comparing to the beginning of the year. In the structure of short term assets all balances (inventory, receivables and financial assets) have increased.

Inventory has increased by HRK 8.1 million comparing to the beginning of the year which is a result of higher procurement due to the sales increase.

Total short term receivables amount to HRK 1 billion 154.2 million and are higher for HRK 45.3 million, which is 4.09%, comparing to the beginning of the year. Trade receivables and receivables from related parties amount to HRK 1 billion 149.7 million and have increased by 4.76% comparing to the beginning of the year.

Short term financial assets amount to HRK 203.2 million and relates to short term given loans.

In equity there was change in treasury shares and capital reserves due to the granting of treasury shares to the management. At the Regular General Assembly held on 30 June 2015, decision was passed to redistribute amount of HRK 2.0 million from the reserves for treasury shares to legal reserves, which resulted in changes in the balance sheet positions.

Also, decision was passed to pay out the dividend to the shareholders in the amount of HRK 77.3million. Dividend will be paid out from the retained earnings of the Company realised in the period until 31.12.2000.

Long term liabilities are higher comparing to the beginning of the year for HRK 6.3 million which is entirely influenced by increase in liabilities to banks and other financial institutions.

Short term liabilities amount to HRK 1 billion 457.8 million out of which HRK 1 billion 108.5 million relates to trade payables and liabilities to related parties and HRK 331.1 million to indebtedness (HRK 330.8 million to short term loans and HRK 270 thousand to finance lease).

Trade payables and liabilities to related parties are higher for HRK 54.0 million comparing to the beginning of the year.

Total loans liabilities of Medika amounts to HRK 350.9 million which is increase of HRK 79.7 million comparing to the beginning of the year. Out of the total loans liabilities, HRK 20.1 million relates to long term loans and HRK 330.8 million to short term loans. Long term loans have increased due to the long term loan for financing investment in new business centre in Osijek. Short term indebtedness of Medika has increased for the liquidity purposes. All loans are in kuna and there is no exposure to foreign exchange risk at this balance sheet items.

Key events

Total pharmaceutical market in the first nine months of 2015 has increased comparing to the same period of previous year. At the same time, sales of Medika have increased more comparing to the market increase, which resulted in higher market share in 2015.

With the changes at of List of medicinal products sales prices were lowered which resulted in lower sales margin comparing to the same period of the previous year.

In April the new business centre in Osijek started operating and the investment was activated.

In equity there was change in treasury shares and capital reserves due to the granting of treasury shares to the management. At the Regular General Assembly held on 30 June 2015, decision was passed to redistribute amount of HRK 2.0 million from the reserves for treasury shares to legal reserves, which resulted in changes in the balance sheet positions.

Also, decision was passed to pay out the dividend to the shareholders in the amount of HRK 77.3 million. Dividend will be paid out from the retained earnings of the Company realised in the period until 31.12.2000.

Expected future development of the Company

The Company will continue with its core business: distribution of medicinal products and medical devices will strongly develop operations with products that make the core business of the firm.

Treasury shares

As at 30.09.2015, Medika holds 1,035 treasury shares.

Subsidiaries and associates

The Company has 100% of ownership in subsidiary Zdravstvena ustanova Ljekarne Prima Pharme and associate 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 Mirela Klunić and associate ZU Ljekarne Jagatić in which it holds 49% of ownership.

Related parties

The company with major voting rights, Mavota d.o.o. owns 47.38% of the Company and has 49.06% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 26.22% 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 Company's purchase of goods is partly realised on the foreign market. The Company is therefore exposed to foreign exchange risk arising from various changes in foreign exchange rates mainly linked to the EUR.

The Company has part of assets which are interest-bearing so the Company's income and operating cash flows are dependent of changes in market interest rates.

The Company's interest rate risk arises from the borrowings with variable interest rates. Borrowings with fixed interest rates expose the Company to the fair value interest rate risk exposure.

The Company does not use derivative instruments to actively hedge cash flow and fair value interest rate risk exposure. However, the Company 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 HZZO's List of medicinal products and administrative approach in determining prices and margins of medicinal products. To lower this risk, the Company 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. However, 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 directly or indirectly related to the receivables from the State institutions, the collection of these receivables should not be classified as a risk. This increases the need for additional financing, which increases finance expenses.

Jasminko Herceg, dipl.oec.
Director


3 **Medika** d.d.
ZAGREB, Capraška 1

Appendix 1.
Reporting period:

1.1.2015

to

30.9.2015

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.uprava@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: 386
(end of reporting period)

Consolidated statements: NO

NKD code: 4646

Consolidated entities (according to IFRS):

Headquarters:

MB:

Bookkeeping service:

Contact person: **RADMILLOVIĆ DIJANA**
(only name of the contact person)

Telephone number: 012412551

Fax: 012371441

e-mail: medika.uprava@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.

³ **Medika** d.d.
ZAGREB (signature of authorised person)

M.P.

Handwritten signature

BALANCE SHEET
balance as at 30.9.2015

Issuer: MEDIKA d.d.			
Description	AOP 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	244.906.254	246.623.821
I. INTANGIBLE ASSETS (004 to 009)	003	17.634.786	16.614.468
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	3.799.079	4.275.362
3. Goodwill	006	11.929.586	11.929.586
4. Advances for intangible assets	007	43.035	
5. Intangible assets under construction	008	1.863.086	409.520
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	160.984.034	163.161.276
1. Land	011	15.994.715	18.232.855
2. Buildings	012	99.198.609	122.718.000
3. Equipment and machinery	013	4.327.186	10.094.334
4. Furniture, fittings and vehicles	014	7.233.750	8.696.982
5. Biological assets	015		
6. Advances for tangible assets	016	839.804	15.760
7. Tangible assets under construction	017	32.571.220	2.590.970
8. Other tangible assets	018	818.750	812.375
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	65.755.234	66.315.877
1. Investment in subsidiaries and associates	021	59.353.400	59.353.400
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		
6. Loans given, deposits and similar	026	6.401.834	6.962.477
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. DEFERRED TAX ASSET	033	532.200	532.200
C) CURRENT ASSETS (035+043+050+058)	034	1.551.604.566	1.637.308.132
I. INVENTORY (036 To 042)	035	229.320.141	237.429.674
1. Raw material	036	127.534	149.836
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	224.504.490	234.464.529
5. Advances for inventories	040	4.688.117	2.815.309
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.108.901.197	1.154.234.032
1. Receivables from related parties	044	225.132.479	208.471.080
2. Trade receivables	045	872.355.337	941.251.952
3. Receivables from participating parties	046		
4. Receivables from employees	047	40.214	22.681
5. Receivables from the state and other institutions	048	9.228.075	1.542.470
6. Other receivables	049	2.145.092	2.945.849
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	148.273.952	203.168.032
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		
6. Loans given, deposits and similar	056	148.273.952	203.168.032
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	65.109.276	42.476.394
D) PREAPID EXPENSES AND ACCRUED INCOME	059	2.140.099	2.174.466
E) TOTAL ASSETS (001+002+034+059)	060	1.798.650.919	1.886.106.419
G) OFF BALANCE SHEET ITEMS	061	161.014.153	132.410.525

EQUITY AND LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	449,518,920	403,741,396
I. SHARE CAPITAL	063	134,967,180	134,967,180
II. CAPITAL RESERVES	064	-9,243,180	-8,652,683
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	065	88,587,744	89,677,247
1. Legal reserves	066	13,953,444	15,991,539
2. Reserves for treasury shares	067	53,324,269	51,286,174
3. Treasury shares	068	10,486,459	9,398,956
4. Statutory reserves	069		
5. Other reserves	070	31,798,490	31,796,490
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	173,738,701	157,935,827
1. Retained earnings	073	173,738,701	157,935,827
2. Accumulated loss	074		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	075	61,468,475	29,813,825
1. Profit for the period	076	61,468,475	29,813,825
2. Loss for the period	077		
VII. MAJORITY INTERESTS	078		
B) PROVISIONS (080 To 082)	079	562,715	562,715
1. Provisions for retirement, severance payment and similar	080	562,715	562,715
2. Tax provisions	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 to 092)	083	17,464,937	23,734,057
1. Liabilities to related parties	084		
2. Borrowings and deposits	085		
3. Liabilities to banks and other financial institutions	086	17,464,937	23,734,057
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		
D) CURRENT LIABILITIES (094 to 105)	093	1,329,643,375	1,457,802,118
1. Liabilities to related parties	094	121,317,815	119,433,683
2. Borrowings and deposits	095		
3. Liabilities to banks and other financial institutions	096	257,184,099	331,114,032
4. Liabilities for advances received	097	1,296,785	441,314
5. Trade payables	098	933,176,663	989,023,401
6. Liabilities for securities	099		
7. Liabilities to participating parties	100		
8. Liabilities to employees	101	7,022,980	4,477,156
9. Liabilities for taxes and contributions	102	6,466,811	10,135,626
10. Dividend payables	103	1,034	536,274
11. Liabilities for non-current assets available for sale	104		
12. Other current liabilities	105	3,177,188	2,640,632
E) DEFERRED INCOME AND ACCRUED EXPENSES	106	1,460,972	266,133
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1,798,650,919	1,886,106,419
G) OFF BALANCE SHEET ITEMS	108	161,014,153	132,410,525
SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)			
A) CAPITAL AND RESERVES	109		
1. Attributable to equity holders	110		
2. Attributable to minority interest			

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

PROFIT AND LOSS
for period from 1.1.2015 do 30.9.2015

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	1.647.745.930	582.344.112	1.773.384.068	590.519.157
1. Revenues from sale	112	1.636.139.514	577.957.813	1.768.072.714	586.838.389
2. Other operating revenues	113	11.606.416	4.386.299	15.311.354	3.680.768
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	1.614.238.013	568.543.958	1.785.767.193	575.204.227
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	1.545.931.726	546.132.575	1.664.414.954	554.935.862
a) Raw materials	117	7.406.227	2.322.619	7.712.858	2.516.595
b) Cost of goods sold	118	1.523.123.761	538.529.674	1.640.976.541	546.814.348
c) Other expenses	119	15.401.738	5.280.282	15.725.555	5.604.919
3. Employee expenses (121 to 123)	120	37.269.080	12.358.352	38.455.491	12.782.551
a) Net salaries	121	21.294.333	7.025.529	22.666.800	7.545.036
b) Tax and contributions from salaries	122	10.701.510	3.571.479	10.338.881	3.477.711
c) Contributions on salaries	123	5.273.237	1.761.344	5.449.810	1.759.804
4. Depreciation and amortization	124	7.505.100	2.210.509	7.302.929	2.512.304
5. Other expenses	125	17.644.738	7.842.522	19.782.806	4.973.510
6. Impairment (127+128)	126	5.887.369	0	5.811.013	0
a) of non-current assets (financial assets excluded)	127				
b) of current assets (financial assets excluded)	128	5.887.369	0	5.811.013	0
7. Provisions	129				
8. Other operating expenses	130				
III. FINANCE INCOME (132 to 136)	131	7.099.819	-1.441.767	15.256.246	2.388.557
1. Interests, foreign exchanges and dividend from related parties	132				
2. Interests, foreign exchanges and dividend from non-related parties	133	7.099.819	-1.441.767	15.256.246	2.388.557
3. Share of profit from associate	134				
4. Unrealised gains	135				
5. Other financial income	136				
IV. FINANCE EXPENSES (138 to 141)	137	11.667.840	2.487.712	13.121.354	5.052.997
1. Interests, foreign exchanges and dividend from related parties	138				
2. Interests, foreign exchanges and dividend from non-related parties	139	11.667.840	2.487.712	13.121.354	5.052.997
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	1.654.845.749	580.902.345	1.788.640.314	592.907.714
X. TOTAL EXPENSES (114+137+143 + 145)	147	1.625.905.853	571.031.670	1.748.888.547	580.257.224
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	28.939.896	9.870.675	39.751.767	12.650.490
1. Profit before tax (146-147)	149	28.939.896	9.870.675	39.751.767	12.650.490
2. Loss before tax (147-146)	150	0	0	0	0
XII. INCOME TAX	151	7.234.974	2.467.689	9.937.942	3.162.623
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	21.704.922	7.403.006	29.813.825	9.487.867
1. Profit for the period (149-151)	153	21.704.922	7.403.006	29.813.825	9.487.867
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	21.704.922	7.403.006	29.813.825	9.487.867
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	21.704.922	7.403.006	29.813.825	9.487.867
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
for period from 1.1.2015. to 30.9.2015.

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	28.939.896	39.751.767
2. Depreciation and amortisation	002	7.505.100	7.302.929
3. Increase of current liabilities	003	48.722.623	54.928.262
4. Decrease of current receivables	004		
5. Decrease of inventories	005	14.336.817	
6. Other increase of cash flow	006		
I. Total increase of cash flow from operating activities (001 to 006)	007	99.504.436	101.982.958
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	59.841.233	56.171.352
3. Increase of inventories	010		8.109.534
4. Other decrease of cash flow	011	55.552.789	63.969.726
II. Total decrease of cash flow from operating activities (008 to 011)	012	115.394.022	128.250.612
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	15.889.586	26.267.654
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of tangible and intangible assets	015	122.885	553.481
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	3.421.858	10.838.515
4. Dividends received	018		
5. Other proceeds from investing activities	019		
III. Total proceeds from investing activities (015 to 019)	020	3.544.743	11.391.996
1. Purchase of tangible and intangible assets	021	16.559.119	9.373.395
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	16.559.119	9.373.395
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	2.018.601
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	13.014.376	0
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	182.330.878	178.114.751
3. Other proceeds from financing activities	029		
V. Total proceeds from financing activities (027 to 029)	030	182.330.878	178.114.751
1. Repayments of borrowings	031	178.666.667	98.420.833
2. Dividends paid	032		76.736.110
3. Repayments of finance lease	033	1.524.508	1.341.638
4. Purchase of treasury shares	034		
5. Other purchases resulting from financing activities	035		
VI. Ukupno novčani izdaci od financijskih aktivnosti (031 to 035)	036	180.191.175	176.498.581
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	2.139.703	1.616.170
C2) NET DECREASE OF CASH FLOW FROM FINANCING 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	26.764.259	22.632.882
Cash and cash equivalents at beginning of the period	041	51.657.754	65.109.276
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	26.764.259	22.632.882
Cash and cash equivalents at end of the period	044	24.893.495	42.476.394

STATEMENT OF CHANGES IN EQUITY
for period from **1.1.2015** to **30.9.2015**

Description	AOP mark	Previous period	Current period
		3	4
1. Share capital	001	134.967.180	134.967.180
2. Capital reserves	002	-9.243.180	-8.652.683
3. Reserves from retained earnings	003	88.587.744	89.677.247
4. Retained earnings or accumulated loss	004	173.738.701	157.935.827
5. Profit or loss for the period	005	61.468.475	29.813.825
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	449.518.920	403.741.396
11. Foreign exchanges from the foreign investments	011		
12. Current and deferred 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		

Balances that decrease equity are presented with the minus
Data in AOP 001 to 009 are presented as the balance as at balance sheet date

Zagreb, 30 October 2015

Pursuant to the article 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

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 from 01 January to 30 June 2015 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 from 01 January to 30 June 2015 gives 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.

³ **Medika** d.d.
Z A G R E B, Capraška 1

Jasminko Herceg
Director