

**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 indebtedness and for settling liabilities to suppliers. However, in the third and fourth quarter, cash inflow was significantly lower and indebtedness 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 Pharmer.

### ***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 Pjarne 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 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.  
Director

  
Medika d.d.  
ZAGREB, Caprakova

**Appendix 1.**

Reporting period:

1.1.2013

do

31.12.2013

**Quarterly financial statements TFI-POD**

Registration number (MB): 03209741

Identification number of  
company (MBS): 080027531Personal identification  
number (OIB): 94818858923

Issuer: MEDIKA d.d.

Postal code and city: 10000

ZAGREB

Address: CAPRAŠKA

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: 745  
(end of reporting period)

Consolidated statements: YES

NKD code: 4646

Consolidating entities (according to IFRS):

Headquarters:

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:

Contact person: RADMILOVIĆ DIJANA

(only surname and name of contact person)

Telephone number: 01242551

Fax: 012371441

e-mail: medika.uprava@medika.hr

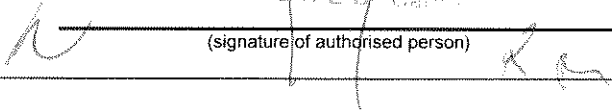
Name: HERCEG JASMINKO

(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.

M.P.


  
 (signature of authorised person)



**BALANCE SHEET**  
balance as at 31.12.2013

Issuer: MEDIKA d.d.			
Description	AOP mark	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL</b>	<b>001</b>		
<b>B) NON-CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	401.271.400	400.648.651
I. INTANGIBLE ASSETS (004 to 009)	003	190.018.605	192.630.109
1. 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
3. Equipment and machinery	013	6.849.842	4.780.720
4. Furniture, fittings and vehicles	014	12.926.956	10.274.130
5. Biological assets	015		
6. 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		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	50.542.468	49.727.004
1. Investment in subsidiaries and associates	021	39.930.648	39.354.657
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	10.611.820	10.372.347
7. Other non-current financial assets	027		
8. Investments at equity method	028		
IV. RECEIVABLES (030 to 032)	029	0	1.877.708
1. Receivables from related parties	030		
2. Receivables for credit sales	031		
3. Other receivables	032		1.877.708
V. DEFERRED TAX ASSET	033	1.031.041	988.082
<b>C) CURRENT ASSETS (035+043+050+056)</b>	<b>034</b>	<b>1.614.749.646</b>	<b>1.557.326.178</b>
I. INVENTORY (036 To 042)	035	216.662.233	239.296.937
1. Raw material	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
1. Receivables from related parties	044	20.129.487	17.413.787
2. Trade receivables	045	1.347.386.888	1.172.110.386
3. Receivables from participating 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
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	878	
6. 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
<b>D) PREAPID EXPENSES AND ACCRUED INCOME</b>	<b>059</b>	<b>1.112.739</b>	<b>920.048</b>
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	<b>2.017.133.785</b>	<b>1.958.894.877</b>
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>061</b>	<b>191.982.318</b>	<b>185.013.175</b>

<b>EQUITY AND LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>375,304,880</b>	<b>421,213,894</b>
I. SHARE CAPITAL	063	60,388,000	94,205,280
II. CAPITAL RESERVES	064	-7,542,807	-9,243,180
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	065	83,667,810	88,587,743
1. Legal reserves	066	7,277,713	7,277,713
2. Reserves for treasury shares	067	60,000,000	60,000,000
3. Treasury shares	068	15,406,393	10,486,460
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	190,520,524	204,974,597
1. Retained earnings	073	190,520,524	204,974,597
2. Accumulated loss	074		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	075	48,271,353	42,689,454
1. Profit for the period	076	48,271,353	42,689,454
2. Loss for the period	077		
VII. MAJORITY INTERESTS	078		
<b>B) PROVISIONS (080 To 082)</b>	<b>079</b>	<b>679,210</b>	<b>800,366</b>
1. Provisions for retirement, severance payment and similar	080	679,210	800,366
2. Tax provisions	081		
3. Other provisions	082		
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	<b>152,318,189</b>	<b>28,605,861</b>
1. Liabilities to related parties	084		
2. Borrowings and deposits	085		
3. Liabilities to banks and other financial institutions	086	136,976,412	12,815,755
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	15,341,777	15,790,106
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	<b>1,487,431,652</b>	<b>1,506,323,831</b>
1. Liabilities to related parties	094	165,181,135	122,721,702
2. Borrowings and deposits	095		
3. Liabilities to banks and other financial institutions	096	191,835,452	333,785,448
4. Liabilities for advances received	097	803,234	420,814
5. Trade payables	098	1,092,523,997	1,026,425,417
6. Liabilities for securities	099		
7. Liabilities to participating parties	100		
8. Liabilities to employees	101	9,810,439	7,661,937
9. Liabilities for taxes and contributions	102	6,497,959	6,876,018
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	8,431,461
<b>E) DEFERRED INCOME AND ACCRUED EXPENSES</b>	<b>106</b>	<b>1,399,854</b>	<b>1,950,925</b>
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>2,017,133,785</b>	<b>1,958,894,877</b>
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	<b>191,982,318</b>	<b>185,013,175</b>
<b>SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributable to equity holders	109	375,304,880	421,213,894
2. 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
<b>I. OPERATING REVENUES (112+113)</b>	<b>111</b>	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
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	2.200.348.270	533.093.815	2.239.861.969	548.654.727
1. 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	474.028.466	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. Impairment (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		
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				
<b>III. FINANCE INCOME (132 to 136)</b>	<b>131</b>	7.496.335	-1.999.710	5.545.031	601.565
1. Interests, foreign exchanges and dividend from related parties	132		-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. Unrealised gains	135				
5. Other financial income	136				
<b>IV. FINANCE EXPENSES (138 to 141)</b>	<b>137</b>	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	5.590.585
3. Unrealised losses	140				
4. Other finance expenses	141				
<b>V. SHARE OF PROFIT FROM ASSOCIATE</b>	<b>142</b>				
<b>VI. SHARE OF LOSS FROM ASSOCIATE</b>	<b>143</b>				
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	2.276.469.057	555.828.283	2.307.844.771	562.414.289
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	2.224.856.604	539.881.085	2.262.510.321	554.185.637
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	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
<b>XII. INCOME TAX</b>	<b>151</b>	3.341.100	-4.090.117	2.644.996	-8.139.864
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	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



**SUPPLEMENT TO PROFIT AND LOSS (for consolidated financial statements)**

**XIV. PROFIT OR LOSS FOR THE PERIOD**

1. Attributable 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 SVEOBUHVAATNOJ DOBITI (popunjava poduzetnik obveznik primjene MSFI-a)**

<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	<b>48.271.353</b>	<b>20.037.315</b>	<b>42.689.454</b>	<b>16.368.316</b>
<b>II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (159 to 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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				
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>				
<b>IV. NET OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (158-166)</b>	<b>167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V. COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>48.271.353</b>	<b>20.037.315</b>	<b>42.689.454</b>	<b>16.368.316</b>

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

**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

Issuer: MEDIKA d.d.			
Description	AOP mark	Previous period	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
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
<b>I. Total increase of cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>249.587.655</b>	<b>238.666.381</b>
1. 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	
<b>II. Total decrease of cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>209.727.272</b>	<b>145.692.521</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>39.860.383</b>	<b>92.973.860</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of tangible and intangible assets	015	1.264.867	572.389
2. 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		
<b>III. Total proceeds from investing activities (015 to 019)</b>	<b>020</b>	<b>1.833.544</b>	<b>2.343.172</b>
1. Purchase of tangible and intangible assets	021	24.337.064	14.198.683
2. Purchase of equity and debt securities	022		
3. Other purchases resulting from investing activities	023		
<b>IV. Total purchases resulting from investing activities (021 to 023)</b>	<b>024</b>	<b>24.337.064</b>	<b>14.198.683</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)</b>	<b>026</b>	<b>22.503.520</b>	<b>11.855.511</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	279.198.000	295.000.000
3. Other proceeds from financing activities	029		
<b>V. Total proceeds from financing activities (027 to 029)</b>	<b>030</b>	<b>279.198.000</b>	<b>295.000.000</b>
1. 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
5. Other purchases resulting from financing activities	035		50.120.000
<b>VI. Ukupno novčani izdaci od financijskih aktivnosti (031 to 035)</b>	<b>036</b>	<b>317.593.399</b>	<b>329.109.998</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)</b>	<b>038</b>	<b>38.395.399</b>	<b>34.109.998</b>
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	0
Cash and cash equivalents at beginning of the period	041	40.578.821	19.540.285
Increase of cash and cash equivalents	042		47.008.351
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**

Description 1	AOP mark 2	Previous period 3	Current period 4
1. Share capital	001	60.388.000	94.205.280
2. Capital reserves	002	-7.542.807	-9.243.180
3. Reserves from retained earnings	003	83.667.810	88.557.743
4. Retained earnings or accumulated loss	004	190.520.524	204.974.597
5. Profit or loss for the period	005	48.271.353	42.689.454
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		
<b>10. Total capital and reserves (AOP 001 to 009)</b>	<b>010</b>	<b>375.304.880</b>	<b>421.213.894</b>
11. Foreign exchanges from the foreign investments	011		
12. Current and deferred tax (part)	012		
13. Cash flow hedge	013		
14. Changes of accounting policies	014		
15. Correction of material mistakes from previous period	015		
16. Other changes of equity	016		
<b>17. Total increase or decrease of equity (AOP 011 to 016)</b>	<b>017</b>	<b>0</b>	<b>0</b>
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

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

**Medika d.d.**  
ZAGREB, Capraška.