



Medika d.d.
Zagreb, Capraška 1

**INTERIM REPORT
for the first nine months of 2012
Medika Group**

October 2012

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

Comment on the result for the first nine months of 2012

As at 30 September 2012 Medika Group consists of Medika d.d., mother company and subsidiary Zdravstvena ustanova Ljekarne Prima Pharme, registered in Split which is wholly owned by Medika d.d.. In company Litmus d.o.o. Medika has share of 41.53%.

Zdravstvena ustanova Ljekarne Prima Pharme has subsidiaries: Zdravstvena ustanova Ljekarne Delonga, Zdravstvena ustanova Ljekarne Ines Škoko, Zdravstvena ustanova Ljekarne Atalić and Ljekarna Alagić. 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 nine months of 2012 is by 4.0% higher comparing to the same period of previous year. Increase in sales is partially influenced by increased number of pharmacies in Prima Pharme Group. Total number of pharmacies across Croatia as at 30 September 2012 is 64, while as at 30 September 2011 there were 62 pharmacies. Although the total number of pharmacies is as at 30 September 2012 by 2 larger comparing to the same date of previous year, one should take into consideration that ZU Ljekarne Ines Škoko with 6 pharmacies entered the Group Prima Pharme in March 2011 and ZU Ljekarne Atalić with 3 pharmacies entered the Group Prima Pharme in June 2011 so this 9 pharmacies did not operate throughout all first nine months in 2011 and in 2012 they did. Associate ZU Ljekarne Jagatić as at 30 September has 7 pharmacies and the number of pharmacies has not changed comparing to 30 September 2011.

The operative profit rate EBIT amounts to HRK 43.9 million or 2.56% and EBITDA amounts to HRK 56.1 million or 3.28%.

The realized net profit amounts to HRK 28.2 million, which is 170.9% higher comparing to the same period of previous year which is influenced by net financial expense. Net finance expense is by HRK 14.3 million lower comparing to the same period of previous year. Decrease is resulted by changes in net exchange rate differences which are for the first nine months of 2012 positive and amounts to HRK 4.8 million, while in the same period of previous year they were negative and amounted to HRK 8.0 million.

Increased other revenue also influenced increase in net profit. Other revenue increased by HRK 12.4 million comparing to the same period of previous year. Namely, Medika d.d. has transferred its 100% share in Primus nekretnine d.o.o. into newly founded company Litmus d.o.o. in which it holds 41.53% of share. Based on this transaction Group Medika recorded revenue of HRK 7.5 million which resulted in increase of other revenue.

Key indicators	I-IX 2012.	I-IX 2011.	Change I-IX 2012. / I-IX 2011.
Sales revenue (000 HRK)	1,690,256	1,624,724	4.0%
EBITDA margin	3.28%	3.10%	+0.18%
EBIT margin	2.56%	2.27%	+0.29%
Net profit (000 HRK)	28,234	10,424	170.9%

Key events

Temporarily financing of new Government resulted in lower collection of trade receivables in the first quarter of 2012 so the Company increased its indebtedness at business banks to maintain liquidity.

In April of 2012 Medika purchased land and building at the current location of distributive and warehouse centre Osijek. On that ground long term assets were increased by HRK 7.0 million.

In May of 2012 partial financial recovery of health system was made and received funds were partially used to lower indebtedness.

In June 2012 Company granted 252 treasury shares to key management.

Based on the Contract on incorporation of limited liability company Litmus d.o.o., Medika transferred into newly founded company its share into Primus nekretnine d.o.o. and has paid in HRK 450 thousand by which it gained share of 41.53% in Litmus d.o.o.. Company Litmus d.o.o. is inscribed into Trade Court Register as at 06 August 2012.

During September restructuring of borrowings was made by which borrowings in foreign currency were converted in borrowings in kuna (by which currency exposure risk was eliminated) with lower interest rate and the maturity was changed (part of the short-term loans was converted into long-term loan).

Total indebtedness of the Group Medika is lower for HRK 69.1 million comparing to the beginning of the year.

In January Ljekarna Dragica Blagus Vičanović was merged to ZU Ljekarne Prima Pharme.

Ljekarna Alagić operates in the Group Prima Pharme since August 2012.

Balance sheet

Total assets show growth of 1.8% comparing to beginning of the year. Increase is result of increased long-term intangible assets, short-term receivables and inventory.

Long term assets is by 7.9% higher comparing to 31.12.2011. Growth in intangible assets is result of increased goodwill and licences due to the purchase of new pharmacies. Out of the total amount of intangible assets HRK 65.3 million relates to goodwill.

Long-term financial assets have increased by HRK 19.4 million as result of increase in investment in subsidiaries and associates. As previously explained, 100% of ownership over subsidiary Primus nekretnine d.o.o. was replaced with share of 41.53% in newlyfounded company Litmus d.o.o..

Inventory balance is higher for HRK 10.4 million or 4.9% comparing to beginning of the year due to increased procurement due to sales growth

Short-term assets amount to HRK 1 billion 500 million, whereof HRK 1 billion 240 million relate to total receivables. Trade receivables and receivables from related parties increased by 3.4% 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 6.4 million whereof HRK 4.5 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 33.5 million.

In capital and reserves there is a change in treasury shares and capital reserves since 252 treasury shares were granted to the key management.

Long term liabilities are higher by HRK 134.4 million comparing to 31.12.2011 which is entirely due to increase in liabilities to banks and other financial institutions. During September restructuring of borrowings was made and the maturity was changed (as earlier explained).

Short-term liabilities amount to HRK 1 billion 349 million whereof HRK 1 billion 186 million relates to the liabilities to suppliers and liabilities to related parties, HRK 119.6 million to liabilities to banks and other financial institutions (HRK 119.1 million relates to short term loans and HRK 526 thousand relates to finance lease) and HRK 4.5 million to liabilities for securities, as explained earlier.

Other short term liabilities amount to HRK 26.0 million and are higher for HRK 5.8 million or 29.0% comparing to the beginning of the year. Increase is result of increase in liabilities for purchase of new pharmacies, increase in liabilities for cession and at the same time decrease in liabilities for factoring.

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 have 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 2012 stipulates growth of sales. 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
Board member

Appendix 1.

Reporting period:

1.1.2012

do

30.9.2012

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: 715
(end of reporting period)

Consolidated statements: YES

Šifra NKD-a: 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 Alagić Split 80080057

Bookkeeping service:

Contact person: RADMILOVIĆ DIJANA
(only surname and name of contact person)

Telephone number: 012412551

Telefaks: 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 30.09.2012

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	363.198.101	391.846.051
I. INTANGIBLE ASSETS (004 to 009)	003	175.081.644	193.425.539
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	113.457.278	119.428.891
3. Goodwill	006	61.372.626	65.229.443
4. Advances for intangible assets	007		6.403.085
5. Intangible assets under construction	008	118.094	1.865.694
6. Other intangible assets	009	133.646	498.426
II. TANGIBLE ASSETS (011 to 019)	010	166.756.138	159.001.241
1. Land	011	16.515.477	15.994.715
2. Buildings	012	126.967.274	115.227.910
3. Equipment and machinery	013	7.058.733	6.858.667
4. Furniture, fittings and vehicles	014	12.695.623	11.623.064
5. Biological assets	015		
6. Advances for tangible assets	016	24.379	3.911
7. Tangible assets under construction	017	2.724.179	8.564.224
8. Other tangible assets	018	770.473	728.750
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	18.694.282	38.534.793
1. Investment in subsidiaries and associates	021	17.709.261	37.384.371
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	985.021	1.150.422
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	2.666.037	884.478
C) CURRENT ASSETS (035+043+050+058)	034	1.495.636.019	1.499.616.857
I. INVENTORY (036 To 042)	035	213.858.036	224.274.445
1. Raw material	036	400.456	457.649
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	210.858.036	222.505.446
5. Advances for inventories	040	2.599.544	1.311.350
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.200.049.644	1.239.506.880
1. Receivables from related parties	044	13.835.243	17.035.776
2. Trade receivables	045	1.177.734.997	1.215.290.905
3. Receivables from participating parties	046		
4. Receivables from employees	047	603.088	1.199.518
5. Receivables from the state and other institutions	048	4.010.314	2.367.158
6. Other receivables	049	3.866.002	3.613.523
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	41.149.518	6.421.592
1. Investment in subsidiaries and associates	051		
2. Loans to related parties	052		1.712.990
3. Equity investments	053		
4. Loans given to participating parties	054		
5. Investment in securities	055	39.360.000	4.500.238
6. Loans given, deposits and similar	056	1.789.518	208.364
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	40.578.821	29.413.940
D) PREAPID EXPENSES AND ACCRUED INCOME	059	781.642	1.309.537
E) TOTAL ASSETS (001+002+034+059)	060	1.859.615.762	1.892.772.445
G) OFF BALANCE SHEET ITEMS	061	152.322.674	193.128.522

EQUITY AND LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	327.443.355	355.267.565
I. SHARE CAPITAL	063	60.388.000	60.388.000
II. CAPITAL RESERVES	064	-6.863.284	-7.542.807
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	065	83.398.115	83.667.810
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	15.676.088	15.406.393
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	172.129.009	190.520.524
1. Retained earnings	073	172.129.009	190.520.524
2. Accumulated loss	074		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	075	18.391.515	28.234.038
1. Profit for the period	076	18.391.515	28.234.038
2. Loss for the period	077		
VII. MAJORITY INTERESTS	078		
B) PROVISIONS (080 To 082)	079	420.100	420.100
1. Provisions for retirement, severance payment and similar	080	420.100	420.100
2. Tax provisions	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 to 092)	083	51.555.505	186.755.412
1. Liabilities to related parties	084		
2. Borrowings and deposits	085		
3. Liabilities to banks and other financial institutions	086	36.421.275	171.621.182
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	15.134.230	15.134.230
D) CURRENT LIABILITIES (094 to 105)	093	1.477.001.857	1.348.729.141
1. Liabilities to related parties	094	129.012.759	147.505.883
2. Borrowings and deposits	095		
3. Liabilities to banks and other financial institutions	096	325.097.796	119.597.465
4. Liabilities for advances received	097	651.356	4.915
5. Trade payables	098	948.625.278	1.038.671.887
6. Liabilities for securities	099	38.010.000	4.500.000
7. Liabilities to participating parties	100		
8. Liabilities to employees	101	9.436.040	7.467.615
9. Liabilities for taxes and contributions	102	6.029.089	4.996.511
10. Dividend payables	103	1.034	1.034
11. Liabilities for non-current assets available for sale	104		
12. Other current liabilities	105	20.138.505	25.983.831
E) DEFERRED INCOME AND ACCRUED EXPENSES	106	3.194.945	1.600.227
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.859.615.762	1.892.772.445
G) OFF BALANCE SHEET ITEMS	108	152.322.674	193.128.522
SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders	109	327.443.355	355.267.565
2. Attributable to minority interest	110		

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

PROFIT AND LOSS
for period from 01.01.2012 to 30.09.2012

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	1.633.191.745	545.621.221	1.711.144.729	572.643.738
1. Revenues from sale	112	1.624.724.128	543.296.690	1.690.245.968	562.529.804
2. Other operating revenues	113	8.467.617	2.324.531	20.898.761	10.113.934
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	1.596.102.487	532.471.744	1.667.254.455	552.290.192
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	1.481.799.632	498.262.390	1.549.545.566	513.059.275
a) Raw materials	117	8.070.543	2.788.415	8.995.654	2.980.554
b) Cost of goods sold	118	1.450.354.627	488.146.430	1.515.522.015	501.662.630
c) Other expenses	119	23.374.462	7.327.545	25.027.897	8.416.091
3. Employee expenses (121 to 123)	120	65.677.786	22.570.458	69.195.946	23.030.972
a) Net salaries	121	37.858.698	12.993.395	40.029.117	13.439.009
b) Tax and contributions from salaries	122	18.241.918	6.285.462	19.650.506	6.577.207
c) Contributions on salaries	123	9.577.170	3.291.601	9.516.323	3.014.756
4. Depreciation and amortization	124	13.459.783	4.314.059	12.208.991	3.981.771
5. Other expenses	125	25.277.615	7.324.837	21.364.904	6.179.126
6. Impairment (127+128)	126	9.887.671	0	14.939.048	6.039.048
a) of non-current assets (financial assets excluded)	127				
b) of current assets (financial assets excluded)	128	9.887.671	0	14.939.048	6.039.048
7. Provisions	129				
8. Other operating expenses	130				
III. FINANCE INCOME (132 to 136)	131	3.328.270	-605.110	9.496.045	5.543.451
1. Interests, foreign exchanges and dividend from related parties	132			594.388	594.388
2. Interests, foreign exchanges and dividend from non-related parties	133	3.328.270	-605.110	8.901.657	4.949.063
3. Share of profit from associate	134				
4. Unrealised gains	135				
5. Other financial income	136				
IV. FINANCE EXPENSES (138 to 141)	137	25.838.236	13.415.626	17.721.064	5.236.807
1. Interests, foreign exchanges and dividend from related parties	138			53.307	53.307
2. Interests, foreign exchanges and dividend from non-related parties	139	25.838.236	13.415.626	17.667.757	5.183.500
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	1.636.520.015	545.016.111	1.720.640.774	578.187.189
X. TOTAL EXPENSES (114+137+143 + 145)	147	1.621.940.723	545.887.370	1.684.975.519	557.526.999
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	14.579.292	-871.259	35.665.255	20.660.190
1. Profit before tax (146-147)	149	14.579.292	0	35.665.255	20.660.190
2. Loss before tax (147-146)	150	0	871.259	0	0
XII. INCOME TAX	151	4.155.467	-232.531	7.431.217	3.063.721
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	10.423.825	-638.728	28.234.038	17.596.469
1. Profit for the period (149-151)	153	10.423.825	0	28.234.038	17.596.469
2. Loss for the period (151-148)	154	0	638.728	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	10.423.825	-638.728	28.234.038	17.596.469
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	10.423.825	-638.728	28.234.038	17.596.469

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 01.01.2012 to 30.09.2012

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	14.579.292	35.665.255
2. Depreciation and amortisation	002	13.459.783	12.208.991
3. Increase of current liabilities	003	66.266.764	110.737.615
4. Decrease of current receivables	004		
5. Decrease of inventories	005	25.114.290	
6. Other increase of cash flow	006		
I. Total increase of cash flow from operating activities (001 to 006)	007	119.420.129	158.611.861
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	142.279.763	39.457.237
3. Increase of inventories	010		10.416.409
4. Other decrease of cash flow	011	10.128.797	25.382.911
II. Total decrease of cash flow from operating activities (008 to 011)	012	152.408.560	75.256.557
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	83.355.304
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	32.988.431	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of tangible and intangible assets	015	346.064	399.663
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	247.906	358.820
4. Dividends received	018		
5. Other proceeds from investing activities	019		
III. Total proceeds from investing activities (015 to 019)	020	593.970	758.483
1. Purchase of tangible and intangible assets	021	48.027.362	22.797.989
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	48.027.362	22.797.989
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	47.433.392	22.039.506
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	171.135.169	307.500.000
3. Other proceeds from financing activities	029		
V. Total proceeds from financing activities (027 to 029)	030	171.135.169	307.500.000
1. Repayments of borrowings	031	106.212.904	376.133.675
2. Dividends paid	032	377.389	
3. Repayments of finance lease	033	1.828.880	1.622.776
4. Purchase of treasury shares	034	1.995.000	2.224.228
5. Other purchases resulting from financing activities	035		
VI. Ukupno novčani izdaci od financijskih aktivnosti (031 to 035)	036	110.414.173	379.980.679
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	60.720.996	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	0	72.480.679
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	19.700.827	11.164.881
Cash and cash equivalents at beginning of the period	041	31.251.047	40.578.821
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	19.700.827	11.164.881
Cash and cash equivalents at end of the period	044	11.550.220	29.413.940

STATEMENT OF CHANGES IN EQUITY
for period from **1.1.2012** to **30.9.2012**

Description	AOP mark	Previous period	Current period
1	2	3	4
1. Share capital	001	60.388.000	60.388.000
2. Capital reserves	002	-6.863.284	-7.542.807
3. Reserves from retained earnings	003	83.398.115	83.667.810
4. Retained earnings or accumulated loss	004	172.129.009	190.520.524
5. Profit or loss for the period	005	18.391.515	28.234.038
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	327.443.355	355.267.565
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		
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

Zagreb, 25 October 2012

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 from 01 January 2012 to 30 September 2012 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 September 2012 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



Medika d.d.
B. R. Capraška