

## **I. Consolidated report**

## 1. Executive summary

Sales in the first half 2015 increased by 5.3% both in HUF and in EUR terms when compared to the same period in 2014. The EURHUF average exchange rate remained virtually flat in the six months to June 2015 compared with the same period in the previous year. Profit from operations increased significantly by 65.3% in HUF terms (65.5% in EUR terms), this considerable increase resulting from higher turnover and gross margin and lower S&M costs during the reported period combined with reduced R&D expenditure.

## 2. Main financial indicators and exchange rates

|   | HUFm             |         |        | EURm             |        |        |
|---|------------------|---------|--------|------------------|--------|--------|
|   | 2015             | 2014**  | Change | 2015             | 2014** | Change |
|   | 6 months to June |         |        | 6 months to June |        |        |
|   |                  |         | %      |                  |        | %      |
| Total revenues  | 183,953          | 174,759 | 5.3    | 599.1            | 568.9  | 5.3    |
| Gross profit  | 116,861          | 106,686 | 9.5    | 380.6            | 347.3  | 9.6    |
| Gross margin%   | 63.5             | 61.0    |        | 63.5             | 61.0   |        |
| Profit from operations                                  | 31,649           | 19,152  | 65.3   | 103.1            | 62.3   | 65.5   |
| Operating margin%                                       | 17.2             | 11.0    |        | 17.2             | 11.0   |        |
| Net financial income                                    | 7,920            | 3,872   | 104.5  | 25.8             | 12.6   | 104.8  |
| Profit before income tax                                | 40,576           | 24,178  | 67.8   | 132.2            | 78.7   | 68.0   |
| Net income attributable to owners of the parent         | 37,508           | 23,158  | 62.0   | 122.2            | 75.4   | 62.1   |
| Net income margin attributable to owners of the parent% | 20.4             | 13.3    |        | 20.4             | 13.3   |        |
| EBITDA  | 47,434           | 34,230  | 38.6   | 154.6            | 111.4  | 38.8   |
| Basic EPS (HUF, EUR)                                    | 203              | 124     | 63.7   | 0.66             | 0.40   | 65.0   |
| Average exchange rate (EURHUF)*                         |                  |         |        | 307.0            | 307.2  | -0.1   |

Notes: \* Current and historical average exchange rates are shown on page 10.

\*\* Please refer to Appendix 3 on page 31 for details of restated figures in respect of H1 2014.

## 3. Sales by region

|               | HUFm             |         |        |       | EURm             |       |        |       |
|---------------|------------------|---------|--------|-------|------------------|-------|--------|-------|
|               | 2015             | 2014*   | Change |       | 2015             | 2014* | Change |       |
|               | 6 months to June |         |        |       | 6 months to June |       |        |       |
|               |                  |         |        | %     |                  |       |        | %     |
| Hungary       | 19,506           | 18,495  | 1,011  | 5.5   | 63.5             | 60.2  | 3.3    | 5.5   |
| EU **         | 70,368           | 67,794  | 2,574  | 3.8   | 229.1            | 220.7 | 8.4    | 3.8   |
| Poland        | 11,225           | 9,106   | 2,119  | 23.3  | 36.6             | 29.6  | 7.0    | 23.6  |
| Romania       | 22,761           | 22,991  | -230   | -1.0  | 74.1             | 74.9  | -0.8   | -1.1  |
| EU 10         | 11,928           | 12,775  | -847   | -6.6  | 38.8             | 41.6  | -2.8   | -6.7  |
| EU 15         | 24,454           | 22,922  | 1,532  | 6.7   | 79.6             | 74.6  | 5.0    | 6.7   |
| CIS           | 64,754           | 65,661  | -907   | -1.4  | 210.9            | 213.7 | -2.8   | -1.3  |
| Russia        | 42,517           | 40,009  | 2,508  | 6.3   | 138.5            | 130.2 | 8.3    | 6.4   |
| Ukraine       | 3,883            | 8,539   | -4,656 | -54.5 | 12.6             | 27.8  | -15.2  | -54.7 |
| Other CIS     | 18,354           | 17,113  | 1,241  | 7.3   | 59.8             | 55.7  | 4.1    | 7.4   |
| USA           | 8,650            | 6,303   | 2,347  | 37.2  | 28.2             | 20.5  | 7.7    | 37.6  |
| China         | 9,053            | 6,707   | 2,346  | 35.0  | 29.5             | 21.8  | 7.7    | 35.3  |
| Latin America | 4,408            | 3,546   | 862    | 24.3  | 14.4             | 11.6  | 2.8    | 24.1  |
| RoW           | 7,214            | 6,253   | 961    | 15.4  | 23.5             | 20.4  | 3.1    | 15.2  |
| Total         | 183,953          | 174,759 | 9,194  | 5.3   | 599.1            | 568.9 | 30.2   | 5.3   |

Notes: \* Please refer to Appendix 3 on page 31 for details of restated figures in respect of 2014.

\*\* All Member States of the EU, except for Hungary.

## 4. Sales report

**Sales** amounted to HUF 183,953 million (EUR 599.1 million) in the first half 2015, representing a 5.3% increase in both HUF and EUR terms when compared with the same period of the previous year. A positive performance was recorded in most of the markets of the Group.

In **Hungary** sales totalled HUF 19,506 million (EUR 63.5 million) in the first six months to June 2015, a 5.5% increase both in HUF and in EUR terms compared to the level reported in the same period 2014. There were no material changes to the regulatory system in Hungary.

**International sales** amounted to EUR 535.6 million in the first half 2015, an increase of EUR 26.9 million or 5.3% when compared to the same period of the previous year. Higher sales performances achieved in Russia, USA, China, Poland, the EU15 region and in Other CIS countries more than offset substantially lower sales levels recorded in Ukraine together with certain declines experienced in the EU10 region and in Romania. Sales to the CIS region altogether totalled EUR 210.9 million (US\$ 234.9 million), 1.3% (in US\$ terms 19.8%) lower when compared to the first half 2014. By the end of the first six months to June 2015 a significant devaluation in the average exchange rate of the Rouble against the Euro (30.5%) had occurred in Russia year-on-year, and notwithstanding this the Group reported an increase in sales of 6.4% in EUR terms in the first six months of 2015. Sales levels reported in RUB terms increased by 38.5% to RUB 8,659.2 million mostly due to an exceptional decrease of stocks which occurred in the base period at the wholesalers and partly resulting from price increases implemented at the beginning of 2015. A significant, 63.0% decline in US\$ terms (54.7% in EUR terms) was reported in Ukraine, with increasing turnover achieved in the Other CIS republics, in EUR terms (7.4% ) although equivalent to a sales decrease of 12.8% in US\$ terms. Turnover of the Wholesaling business segment in the CIS region increased by 6.4% in EUR terms in the first half 2015, although it declined by 13.7% in US\$ terms. The higher turnover reported for the EU region (+3.8% in Euro terms) resulted from increasing sales levels achieved in Poland and the EU15 region being able to more than offset decreasing turnover experienced in the EU10 region and Romania. The Wholesale and Retail business segment in Romania recorded flat sales performance both in local currency terms (-0.3%) and in EUR terms (+0.1%) when compared to the first half 2014. Sales recorded in the USA increased by 11.7% to US\$ 31.4 million when compared to the same period of the previous year. Turnover reported in China amounted to EUR 29.5 million in the six months to June 2015. Turnover in Latin American countries at US\$ 16.0 million (EUR 14.4 million) in the first half 2015, showed a 1.3% increase in US\$ terms and exceeded sales levels recorded in the same period of the previous year by 24.1% in EUR terms. Sales reported in the Rest of the World region reached EUR 23.5 million in the first six months of 2015, 15.2% higher than in the same period of the previous year.

## 5. Costs, expenses, profits

**Cost of sales** amounted to HUF 67,092 million (EUR 218.5 million) in the first half 2015, a decrease of HUF 981 million (EUR 3.1 million) when compared to the same period 2014. Amortization of the acquired intangible asset **Esmya** amounted to HUF 1,469 million in the six months to June 2015 period.

**Gross margin** in the first half 2015 at 63.5% increased from the 61.0% level reported for the same period of the previous year. Improvement in the product mix (increasing share of Female Healthcare products), high turnover recorded in Russia together with increased sales levels reached in EU15 region, USA and China, the appreciation of the US\$ against both HUF and EUR and a recovery of Wholesale and retail business segment margins were partially offset by severely deteriorating sales levels recorded in Ukraine and the devaluation of the Rouble against both HUF and EUR.

**Sales and marketing expenses** amounted to HUF 50,987 million (EUR 166.0 million) in the first half 2015, a reduction of 3.3% both in HUF and in EUR terms compared with the same period in 2014. The decline resulted from lower Russian, Ukrainian and Polish marketing expenses (which, in all three countries included sales force reductions in the reporting period) and the devaluation of both Rouble and Hryvnia currencies which more than offset higher marketing costs recorded both in the EU15 region and in China. The proportion to sales of S&M expenses was 27.7% in the reported period. Amortisation of the marketing and intellectual property rights of the OC portfolio acquired from Grünenthal in the amount of HUF 2,195 million represented 1.2% of sales achieved in the reported period. When adjusting these expenses for the above amortization, they represented 26.5% of turnover.

The annual registration fee payable in respect of medical representatives in Hungary amounted to HUF 219 million (EUR 0.7 million) in the first half 2015. In accordance with the regulations we expect to offset the tax payable in 2015 on this ground by 90% of the tax liability of the same kind incurred during 2014.

**Administrative and general expenses** totalled HUF 9,818 million (EUR 32.0 million) in the six months to June 2015, representing a 3.5% in HUF terms (3.6% in EUR terms) increase when compared with the level recorded in the same period of the previous year.

**Research and development costs** represented 11.4% of sales and decreased by 5.8% (5.7% in EUR terms) to HUF 20,991 million (EUR 68.4 million) during the reported period. These costs include the ongoing clinical trials being carried out in the field of biotechnology together with those managed in co-operation with Allergan (Forest Laboratories). R&D expenses of the Group also include such costs at the operations of PregLem, Gedeon Richter Polska and Gedeon Richter Romania.

**Other income and other expenses** increased to an expense of HUF 3,416 million (EUR 11.1 million) in the first half 2015 when compared to an expense of HUF 3,042 million (EUR 9.9 million) recorded in the same period of the previous year. During the reported period a one-off milestone payment was paid by Stada to Richter under the terms of the biosimilar co-operation agreement while a similar income did not occur in the base period.

In the first half 2015 an accrual was made of HUF 192 million (EUR 0.6 million) in respect of the 20% tax obligation payable with regard to turnover related to reimbursed sales in Hungary. In accordance with the regulations we expect to offset the tax payable in 2015 on this ground by 90% of the tax liability of the same kind incurred during 2014.

Other income and expenses include liabilities in respect of the claw-back regimes effective in Germany, France, Spain, Portugal and Latvia amounting to HUF 2,226 million (EUR 7.3 million). Accrued provisions in respect of a claw-back tax levied by Romanian authorities amounted to RON 10.2 million (EUR 2.3 million).

During the reported period the final tranche of the deferred payment related to the acquisition of PregLem was paid in respect of which we accounted for an expense of HUF 786 million (EUR 2.6 million) reflecting a change in the likelihood of payment.

**Profit from operations** increased substantially by 65.3% and amounted to HUF 31,649 million. In EUR terms it increased by 65.5% to EUR 103.1 million in the six months to June 2015. Such an outstanding increase resulted from a significantly higher turnover, improving gross margins and lower S&M and R&D expenses. The consolidated operating margin increased to 17.2% during the reported period from the 11.0% reported in the same period 2014.

**Net financial income** for the Group is analysed in detail in the following table:

|   | HUFm             |              |              | EURm             |             |             |
|---|------------------|--------------|--------------|------------------|-------------|-------------|
|   | 2015             | 2014*        | Change       | 2015             | 2014*       | Change      |
|   | 6 months to June |              |              | 6 months to June |             |             |
| <b>Unrealised financial items</b>   | <b>3,983</b>     | <b>877</b>   | <b>3,106</b> | <b>13.0</b>      | <b>2.8</b>  | <b>10.2</b> |
| Reassessment of currency related trade receivables and trade payables                   | 2,549            | 2,096        | 453          | 8.3              | 6.8         | 1.5         |
| Reassessment of currency loans  | 2,567            | 141          | 2,426        | 8.4              | 0.5         | 7.9         |
| Reassessment of borrowing   | (24)             | (2,656)      | 2,632        | (0.1)            | (8.6)       | 8.5         |
| Reassessment of other currency related items  | (532)            | 1,515        | -2,047       | (1.7)            | 4.9         | -6.6        |
| Unwinding of discounted value related to contingent-deferred purchase price liabilities | (551)            | (723)        | 172          | (1.8)            | (2.4)       | 0.6         |
| Result of unrealised forward exchange contracts   | (26)             | 504          | -530         | (0.1)            | 1.6         | -1.7        |
| <b>Realised financial items</b>   | <b>3,937</b>     | <b>2,995</b> | <b>942</b>   | <b>12.8</b>      | <b>9.8</b>  | <b>3.0</b>  |
| Result of realised forward exchange contracts   | 658              | (109)        | 767          | 2.1              | (0.4)       | 2.5         |
| Exchange gain realised on trade receivables and trade payables                          | 1,322            | 22           | 1,300        | 4.3              | 0.1         | 4.2         |
| Exchange gains on conversion  | 918              | 1,943        | -1,025       | 3.0              | 6.3         | -3.3        |
| Dividend income   | 1                | 16           | -15          | 0.0              | 0.1         | -0.1        |
| Interest income   | 1,515            | 1,836        | -321         | 4.9              | 6.0         | -1.1        |
| Interest expense  | (628)            | (701)        | 73           | (2.0)            | (2.3)       | 0.3         |
| Other   | 151              | (12)         | 163          | 0.5              | 0.0         | 0.5         |
| <b>Net financial income</b>   | <b>7,920</b>     | <b>3,872</b> | <b>4,048</b> | <b>25.8</b>      | <b>12.6</b> | <b>13.2</b> |

Note: \* Please refer to Appendix 3 on page 31 for details of restated figures in respect of 2014.

The net financial gain in the first half 2015 totalled HUF 7,920 million (EUR 25.8 million), reflecting an increase of HUF 4,048 million (EUR 13.2 million) when compared to a net financial gain of HUF 3,872 million (EUR 12.6 million) recorded in the base period.

At the end of each reporting period foreign currency related assets and liabilities are routinely reassessed with the change in value being reflected as unrealised financial items. The total impact of such reassessments amounted to HUF 4,560 million (EUR 14.9 million) gain at the end of June 2015, HUF 3,464 million (EUR 11.3 million) more when compared with the HUF 1,096 million (EUR 3.6 million) gain reported at the end of the first half 2014. We accounted for a HUF 551 million (EUR 1.8 million) expense in respect of an unwinding of the discounted value related to a liability related to deferred purchase prices of acquisitions realised.

Financial income on the realised financial items in the first half 2015, reflects the impact of exchange gains realised on trade receivables and trade payables amounting to HUF 1,322 million (EUR 4.3 million). This gain incurred primarily as a result of the RUBHUF exchange rate which, during most of the reported period exceeded the exchange rate experienced on 31 December 2014. The conversion of FOREX related items resulted in a HUF 918 million (EUR 3.0 million) gain, while net interest income contributed HUF 887 million (EUR 2.9 million) to the results achieved.

As a consequence of the significance of currency fluctuations experienced across most of the Group's geographies of operation it has been considered helpful to present the changes in the amount of the reassessed unrealised financial items as of the most recent quarter of the reporting period compared to the previous quarter end.

|   | HUFm         |              |            | EURm       |            |            |
|---|--------------|--------------|------------|------------|------------|------------|
|   | 2015<br>Q2   | 2015<br>Q1   | Change     | 2015<br>Q2 | 2015<br>Q1 | Change     |
| Reassessment of currency related trade receivables and trade payables | (122)        | 2,671        | -2,793     | (0.3)      | 8.6        | -8.9       |
| Reassessment of currency loans  | 1,121        | 1,446        | -325       | 3.7        | 4.7        | -1.0       |
| Reassessment of borrowing   | (2,912)      | 2,888        | -5,800     | (9.5)      | 9.4        | -18.9      |
| Reassessment of other currency related items                          | 4,652        | (5,184)      | 9,836      | 15.1       | (16.8)     | 31.9       |
| <b>Reassessed financial items</b>                                     | <b>2,739</b> | <b>1,821</b> | <b>918</b> | <b>9.0</b> | <b>5.9</b> | <b>3.1</b> |

**Income from associates and joint ventures** amounted to HUF 1,007 million (EUR 3.3 million) in the first half 2015.

**Profit before income tax** amounted to HUF 40,576 million (EUR 132.2 million) in the first half 2015, an increase of HUF 16,398 million (EUR 53.5 million) compared with the same period 2014.

**Profit after taxation** was HUF 37,381 million (EUR 121.8 million), HUF 14,253 million (EUR 46.5 million) higher than the profit after taxation realised in the first half 2014. By virtue of Hungarian Tax Regulations, the corporate tax rate applied at the Parent Company of the Group (incorporated in Hungary) can be offset by a tax allowance linked to direct costs incurred on R&D activities. In addition, the Parent Company is also entitled to a tax allowance in respect of the capital expenditure programme carried out at the Debrecen biosimilar manufacturing site. Other members of the Group are subject to customary tax regulations effective in their respective countries of incorporation.

**Net income attributable to owners of the parent** slightly exceeded the profit after taxation and increased by HUF 14,350 million (EUR 46.8 million) during the reported period to HUF 37,508 million (EUR 122.2 million). It increased to 20.4% of sales compared with the 13.3% reported in the same period of the previous year.

## 6. Earnings per share

**Basic earnings per share** totalled HUF 203 per share (EUR 0.66 per share) in the reported period, an increase of 63.7% (65.0% in Euro terms) when compared to HUF 124 per share (EUR 0.40 per share) recorded in the base period.

**Diluted earnings per share** totalled HUF 203 per share (EUR 0.66 per share) in the reported period, an increase of 63.7% (65.0% in Euro terms) when compared to HUF 124 per share (EUR 0.40 per share) recorded in the base period.

The weighted average number of shares in issue in the first half of both 2015 and 2014 was 186,374,860.

## 7. Balance sheet

**Total assets and total shareholders' equity and liabilities of the Group** amounted to HUF 754,717 million on 30 June 2015, HUF 34,660 million, or 4.8% higher than that reported for 31 December 2014.

**Non-current assets** amounted to HUF 442,434 million on 30 June 2015, 4.0% above the amount as of 31 December 2014. The increase in the level of the Goodwill resulted from the revaluation of the goodwill accounted in respect of the previously announced acquisitions while the level of Other intangible assets increased primarily as a result of the balance sheet revaluation of the Esmya intangible asset.

**Current assets** amounted to HUF 312,283 million and increased by HUF 17,569 million (6.0%) when compared to the level reported on 31 December 2014. The increase was primarily due to higher levels of Inventories and Trade receivables connected to higher sales levels. A decline in Cash and cash equivalents resulted from having repaid a total of EUR 21 million in respect of loans contracted with the European Investment Bank and a club credit facility. In addition to the above, Richter repaid the final portion of the deferred purchase price (milestone) in respect of the acquisition of PregLem while the Company, in accordance with the relevant resolutions of the Annual General Meeting, also proceeded to the payout of the Dividends in respect of the profit realised in 2014.

**Capital and reserves** of the Group increased by 9.0% and amounted to HUF 612,563 million when compared to the balance as at 31 December 2014. Retained earnings increased by HUF 31,358 million and amounted to HUF 545,894 million. The year-on-year increase was also supported by a HUF 19,258 million increase related to foreign currency translation accounted for under Foreign currency translation reserves.

**Non-current liabilities** of the Group on 30 June 2015 at HUF 67,933 million were HUF 2,076 million higher than the levels as at the end of the previous year.

**Current liabilities** of the Group at HUF 74,221 million on 30 June 2015 were HUF 18,249 million lower than their level reported on 31 December 2014. Items impacting the above decrease include repayments of the above mentioned loans and the payout of the dividends together with the disbursement of the final tranche in respect of the deferred purchase price of PregLem. Trade payables also declined during the reported period.

## 8. Capital expenditure

Capital expenditure for the Group including payments for intangible assets totalled HUF 8,379 million in the six months to June 2015 when compared to HUF 17,074 million reported for the first half 2014.

## 9. Corporate matters

### 9.1 Information regarding Richter shares

**9.1.1** The number of shares in issue at 30 June 2015 was unchanged compared to 31 March 2015, i.e. 186,374,860 shares.

**9.1.2** The number of shares held by the Parent company in Treasury increased during the second quarter of 2015.

|                       | Ordinary shares |                  |                     |                      |                 |
|-----------------------|-----------------|------------------|---------------------|----------------------|-----------------|
|                       | 30 June<br>2015 | 31 March<br>2015 | 31 December<br>2014 | 30 September<br>2014 | 30 June<br>2014 |
| Number                | 173,513         | 12,813           | 3,699               | 270,108              | 263,548         |
| Book value (HUF '000) | 728,634         | 47,133           | 12,743              | 1,138,358            | 1,112,459       |

The Company acquired during June 2015 from its fully owned subsidiary, Nederved B.V. 100,000 Richter ordinary shares. The number of shares held by the Parent Company in Treasury thus increased, but there were no changes in the number of shares held in Treasury on Group level.

On 30 June 2015 the Group's subsidiaries held a total of 1,260,284 ordinary Richter shares.

In accordance with a repurchase obligation related to employee share bonuses, the Company repurchased 5,696 shares from employees who resigned from the Parent company during the second quarter 2015.

Based on a decision of the Board of Directors, 190,089 shares held by the Company in treasury were granted in June 2015 to employees participating in a bonus share programme and to other employees who rendered outstanding performance.

In the second quarter 2014 Richter purchased 150,000 treasury shares in the Budapest Stock Exchange and 95,093 treasury shares on the OTC market.

The total number of Company shares at Group level held in Treasury at 30 June 2015 was 1,433,797.



## 9.2 Share ownership structure

The shareholder structure as of 30 June 2015 is presented in detail in the following table:

| Ownership                              | Ordinary shares<br>Number | Voting rights<br>% | Share capital<br>% |
|--|---------------------------|--------------------|--------------------|
| Domestic ownership                     | 58,865,020                | 31.83              | 31.59              |
| State ownership total                  | 47,051,817                | 25.44              | 25.25              |
| out of which MNV Zrt.                  | 47,051,668                | 25.44              | 25.25              |
| out of which Municipality              | 149                       | 0.00               | 0.00               |
| Institutional investors                | 5,392,547                 | 2.92               | 2.89               |
| Retail investors                       | 6,420,656                 | 3.47               | 3.45               |
| International ownership                | 125,783,065               | 68.01              | 67.48              |
| Institutional investors                | 124,629,747               | 67.39              | 66.86              |
| out of which Aberdeen Asset Mgmt. Plc. | 19,533,415                | 10.56              | 10.48              |
| Retail investors                       | 1,153,318                 | 0.62               | 0.62               |
| Treasury shares*                       | 1,433,797                 | 0.00               | 0.77               |
| Undisclosed ownership                  | 292,978                   | 0.16               | 0.16               |
| Share capital                          | 186,374,860               | 100.00             | 100.00             |

Note: \* Treasury shares include the combined ownership of the parent company and subsidiaries.

Data in the above table were compiled based on the share registry amended with information provided by KELER Zrt. as clearing company, global custodians and nominees. Due to the confidential character of linked investor interests certain investment funds may keep a different record of their respective share capital and/or voting rights.

## 9.3 Extraordinary announcements

- 9.3.1** On 28 May 2015 Gedeon Richter Plc. announced that the European Commission (EC) has granted approval for the intermittent use of **Esmya**<sup>®</sup> 5 mg in the long term management of uterine fibroids. This decision follows a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) on 23 April 2015 and is applicable for all Member States in the European Economic Area.
- 9.3.2** On 16 June 2015 Gedeon Richter Plc and Allergan Plc (NYSE: AGN) announced that the U.S. Food and Drug Administration (FDA) notified the companies that it will require a three-month extension to complete its review of data supporting the resubmission of the New Drug Application (NDA) for cariprazine.

## 10. Historical exchange rates

### 10.1 At period end

|         | <b>30.06.2015</b> | <b>31.03.2015</b> | <b>31.12.2014</b> | <b>30.09.2014</b> | <b>30.06.2014</b> |
|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| EURHUF  | 315.04            | 299.14            | 314.89            | 310.36            | 310.19            |
| US\$HUF | 282.75            | 278.94            | 259.13            | 245.13            | 227.13            |
| CHFHUF  | 303.51            | 286.12            | 261.85            | 257.14            | 255.26            |
| RUBHUF  | 5.07              | 4.83              | 4.45              | 6.23              | 6.69              |
| EURRUB  | 62.14             | 61.93             | 70.76             | 49.82             | 46.37             |
| EURUS\$ | 1.11              | 1.07              | 1.22              | 1.27              | 1.37              |

### 10.2 Average

|         | <b>2015 H1</b> | <b>2015 Q1</b> | <b>2014 M12</b> | <b>2014 M9</b> | <b>2014 H1</b> |
|---------|----------------|----------------|-----------------|----------------|----------------|
| EURHUF  | 307.0          | 308.6          | 308.7           | 308.9          | 307.2          |
| US\$HUF | 275.7          | 274.4          | 232.0           | 227.8          | 224.1          |
| RUBHUF  | 4.9            | 4.4            | 6.2             | 6.4            | 6.4            |
| EURRUB  | 62.5           | 70.3           | 50.1            | 48.3           | 48.0           |
| EURUS\$ | 1.11           | 1.12           | 1.33            | 1.36           | 1.37           |

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 Reporting period: January-June 2015

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## Balance Sheet

|  | 30 June 2015<br>Unaudited<br>HUFm | 31 December 2014<br>Audited<br>HUFm | Change<br>% |
|--|-----------------------------------|-------------------------------------|-------------|
| <b>ASSETS</b>  | <b>754,717</b>                    | <b>720,057</b>                      | <b>4.8</b>  |
| Non-current assets                                     | 442,434                           | 425,343                             | 4.0         |
| Property, plant and equipment                          | 168,030                           | 169,558                             | -0.9        |
| Goodwill   | 67,751                            | 61,086                              | 10.9        |
| Other intangible assets                                | 159,766                           | 152,580                             | 4.7         |
| Investments in associates and joint ventures           | 6,426                             | 5,408                               | 18.8        |
| Other financial assets                                 | 26,564                            | 24,184                              | 9.8         |
| Deferred tax assets                                    | 8,546                             | 8,606                               | -0.7        |
| Loans receivable                                       | 5,351                             | 3,921                               | 36.5        |
| Current assets   | 312,283                           | 294,714                             | 6.0         |
| Inventories  | 77,726                            | 66,452                              | 17.0        |
| Trade receivables                                      | 105,402                           | 95,255                              | 10.7        |
| Other current assets                                   | 12,673                            | 13,591                              | -6.8        |
| Investments in securities                              | 20,894                            | 20,873                              | 0.1         |
| Current tax assets                                     | 172                               | 603                                 | -71.5       |
| Cash and cash equivalents                              | 95,416                            | 97,940                              | -2.6        |
| <b>EQUITY AND LIABILITIES</b>                          | <b>754,717</b>                    | <b>720,057</b>                      | <b>4.8</b>  |
| Capital and reserves                                   | 612,563                           | 561,730                             | 9.0         |
| Share capital  | 18,638                            | 18,638                              | 0.0         |
| Treasury shares  | (5,134)                           | (4,881)                             | 5.2         |
| Share premium  | 15,214                            | 15,214                              | 0.0         |
| Capital reserves                                       | 3,475                             | 3,475                               | 0.0         |
| Foreign currency translation reserves                  | 28,958                            | 9,700                               | 198.5       |
| Revaluation reserve for available for sale investments | 2,219                             | 1,876                               | 18.3        |
| Retained earnings                                      | 545,894                           | 514,536                             | 6.1         |
| Non-controlling interest                               | 3,299                             | 3,172                               | 4.0         |
| Non-current liabilities                                | 67,933                            | 65,857                              | 3.2         |
| Borrowings   | 44,179                            | 44,155                              | 0.1         |
| Deferred tax liability                                 | 9,825                             | 8,876                               | 10.7        |
| Other non-current liabilities and accruals             | 11,097                            | 10,056                              | 10.4        |
| Provision  | 2,832                             | 2,770                               | 2.2         |
| Current liabilities                                    | 74,221                            | 92,470                              | -19.7       |
| Borrowings   | 7,875                             | 14,525                              | -45.8       |
| Trade payables   | 31,117                            | 36,335                              | -14.4       |
| Current tax liabilities                                | 1,213                             | 281                                 | 331.7       |
| Other payables and accruals                            | 33,776                            | 40,222                              | -16.0       |
| Provisions   | 240                               | 1,107                               | -78.3       |

Prepared in accordance with IAS 34 Interim Financial Reporting.

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## Consolidated statement of changes in equity

| HUFm   | Share capital | Share premium | Capital reserves | Treasury shares | Foreign currency translation reserves | Retained earnings | Revaluation reserve for available for sale investments | Attributable to owners of the parent | Non-controlling interest | Total   |
|--|---------------|---------------|------------------|-----------------|---------------------------------------|-------------------|--|--------------------------------------|--------------------------|---------|
| Balance at 31 December 2014  | 18,638        | 15,214        | 3,475            | (4,881)         | 9,700                                 | 514,536           | 1,876  | 558,558                              | 3,172                    | 561,730 |
| Profit for the period  | -             | -             | -                | -               | -                                     | 37,508            | -  | 37,508                               | (127)                    | 37,381  |
| Exchange differences arising on translation of foreign operations            | -             | -             | -                | -               | 19,198                                | -                 | -  | 19,198                               | 131                      | 19,329  |
| Exchange differences arising on translation of associates and joint ventures | -             | -             | -                | -               | 60                                    | -                 | -  | 60                                   | -                        | 60      |
| Revaluation reserve for available for sale investments                       | -             | -             | -                | -               | -                                     | -                 | 343  | 343                                  | -                        | 343     |
| Comprehensive income at 30 June 2015   | -             | -             | -                | -               | 19,258                                | 37,508            | 343  | 57,109                               | 4                        | 57,113  |
| Treasury shares transferred and purchased                                    | -             | -             | -                | (253)           | -                                     | -                 | -  | (253)                                | -                        | (253)   |
| Ordinary share dividend for 2014   | -             | -             | -                | -               | -                                     | (6,150)           | -  | (6,150)                              | -                        | (6,150) |
| Share capital increase of non-controlling interest                           | -             | -             | -                | -               | -                                     | -                 | -  | -                                    | 123                      | 123     |
| Balance at 30 June 2015  | 18,638        | 15,214        | 3,475            | (5,134)         | 28,958                                | 545,894           | 2,219  | 609,264                              | 3,299                    | 612,563 |

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 Investor relations manager: Katalin Ördög

## Income Statement

| 12 months to<br>31 Dec            |  | 6 months to June          |                           |             |
|-----------------------------------|--|---------------------------|---------------------------|-------------|
|                                   |  | 2015<br>Unaudited<br>HUFm | 2014<br>Restated*<br>HUFm | Change<br>% |
| 2014<br>Audited<br>HUFm           |  |                           |                           |             |
| 353,709                           | Total revenues   | 183,953                   | 174,759                   | 5.3         |
| (139,650)                         | Cost of sales  | (67,092)                  | (68,073)                  | -1.4        |
| 214,059                           | Gross profit   | 116,861                   | 106,686                   | 9.5         |
| (101,724)                         | Sales and marketing expenses   | (50,987)                  | (52,728)                  | -3.3        |
| (19,651)                          | Administration and general expenses  | (9,818)                   | (9,487)                   | 3.5         |
| (43,666)                          | Research and development expenses  | (20,991)                  | (22,277)                  | -5.8        |
| (11,271)                          | Other income and other expenses (net)  | (3,416)                   | (3,042)                   | 12.3        |
| 37,747                            | Profit from operations   | 31,649                    | 19,152                    | 65.3        |
| 23,204                            | Finance income   | 25,507                    | 14,373                    | 77.5        |
| (35,984)                          | Finance cost   | (17,587)                  | (10,501)                  | 67.5        |
| (12,780)                          | Net financial income / (loss)  | 7,920                     | 3,872                     | 104.5       |
| 828                               | Share of profit of associates and joint ventures                               | 1,007                     | 1,154                     | -12.7       |
| 25,795                            | Profit before income tax   | 40,576                    | 24,178                    | 67.8        |
| 2,748                             | Income and deferred tax  | (1,439)                   | 708                       | n.a.        |
| (3,509)                           | Local business tax and innovation contribution                                 | (1,756)                   | (1,758)                   | -0.1        |
| 25,034                            | Profit for the period  | 37,381                    | 23,128                    | 61.6        |
|                                   | Profit attributable to:  |                           |                           |             |
| 24,950                            | Owners of the parent   | 37,508                    | 23,158                    | 62.0        |
| 84                                | Non-controlling interest   | (127)                     | (30)                      | 323.3       |
| Statement of comprehensive income |  |                           |                           |             |
| 25,034                            | Profit for the period  | 37,381                    | 23,128                    | 61.6        |
| (33)                              | Actuarial loss on retirement defined benefit plans                             | -                         | -                         | n.a.        |
| (33)                              | Items that will not be reclassified to profit or loss                          | -                         | -                         | n.a.        |
| 3,675                             | Exchange differences arising on translation of foreign operations**            | 19,329                    | 9,578                     | 101.8       |
| (214)                             | Exchange differences arising on translation of associates and joint ventures** | 60                        | (190)                     | n.a.        |
| (3,039)                           | Revaluation for available for sale investments                                 | 343                       | (1,027)                   | n.a.        |
|                                   | Items that may be subsequently reclassified to profit or loss                  |                           |                           |             |
| 422                               |  | 19,732                    | 8,361                     | 136.0       |
| 389                               | Other comprehensive income   | 19,732                    | 8,361                     | 136.0       |
| 25,423                            | Total comprehensive income   | 57,113                    | 31,489                    | 81.4        |
|                                   | Attributable to:   |                           |                           |             |
| 25,103                            | Owners of the parent   | 57,109                    | 31,446                    | 81.6        |
| 320                               | Non-controlling interest   | 4                         | 43                        | -90.7       |
| <b>HUF</b>                        | <b>Earnings per share (EPS)</b>  | <b>HUF</b>                | <b>HUF</b>                | <b>%</b>    |
| 134                               | Basic  | 203                       | 124                       | 63.7        |
| 134                               | Diluted  | 203                       | 124                       | 63.7        |

Notes: \* Restated due to IFRS 11 Joint arrangements.

\*\* Restated due to presentation of Exchange differences arising on translation of associates and joint ventures separately.

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 Investor relations manager: Katalin Ördög

## Income Statement

| 12 months to<br>31 Dec                   |  | 6 months to June          |                           |             |
|--|--|---------------------------|---------------------------|-------------|
|  |  | 2015<br>Unaudited<br>EURm | 2014<br>Restated*<br>EURm | Change<br>% |
| 2014<br>Audited<br>EURm                  |  |                           |                           |             |
| 1,145.7                                  | Total revenues   | 599.1                     | 568.9                     | 5.3         |
| (452.4)                                  | Cost of sales  | (218.5)                   | (221.6)                   | -1.4        |
| 693.3                                    | Gross profit   | 380.6                     | 347.3                     | 9.6         |
| (329.5)                                  | Sales and marketing expenses   | (166.0)                   | (171.7)                   | -3.3        |
| (63.6)                                   | Administration and general expenses  | (32.0)                    | (30.9)                    | 3.6         |
| (141.4)                                  | Research and development expenses  | (68.4)                    | (72.5)                    | -5.7        |
| (36.5)                                   | Other income and other expenses (net)  | (11.1)                    | (9.9)                     | 12.1        |
| 122.3                                    | Profit from operations   | 103.1                     | 62.3                      | 65.5        |
| 75.2                                     | Finance income   | 83.1                      | 46.8                      | 77.6        |
| (116.6)                                  | Finance cost   | (57.3)                    | (34.2)                    | 67.5        |
| (41.4)                                   | Net financial income / (loss)  | 25.8                      | 12.6                      | 104.8       |
| 2.7                                      | Share of profit of associates and joint ventures                               | 3.3                       | 3.8                       | -13.2       |
| 83.6                                     | Profit before income tax   | 132.2                     | 78.7                      | 68.0        |
| 8.9                                      | Income and deferred tax  | (4.7)                     | 2.3                       | n.a.        |
| (11.4)                                   | Local business tax and innovation contribution                                 | (5.7)                     | (5.7)                     | 0.0         |
| 81.1                                     | Profit for the period  | 121.8                     | 75.3                      | 61.8        |
|  | Profit attributable to:  |                           |                           |             |
| 80.8                                     | Owners of the parent   | 122.2                     | 75.4                      | 62.1        |
| 0.3                                      | Non-controlling interest   | (0.4)                     | (0.1)                     | 300.0       |
| 308.7                                    | Average exchange rate (EURHUF)   | 307.0                     | 307.2                     | -0.1        |
| <b>Statement of comprehensive income</b> |  |                           |                           |             |
| 81.1                                     | Profit for the period  | 121.8                     | 75.3                      | 61.8        |
| (0.1)                                    | Actuarial loss on retirement defined benefit plans                             | -                         | -                         | n.a.        |
| (0.1)                                    | Items that will not be reclassified to profit or loss                          | -                         | -                         | n.a.        |
| 11.9                                     | Exchange differences arising on translation of foreign operations**            | 62.9                      | 31.1                      | 102.3       |
| (0.7)                                    | Exchange differences arising on translation of associates and joint ventures** | 0.2                       | (0.6)                     | n.a.        |
| (9.8)                                    | Revaluation for available for sale investments                                 | 1.0                       | (3.3)                     | n.a.        |
| 1.4                                      | Items that may be subsequently reclassified to profit or loss                  | 64.1                      | 27.2                      | 135.7       |
| 1.3                                      | Other comprehensive income   | 64.1                      | 27.2                      | 135.7       |
| 82.4                                     | Total comprehensive income   | 185.9                     | 102.5                     | 81.4        |
|  | Attributable to:   |                           |                           |             |
| 81.3                                     | Owners of the parent   | 185.9                     | 102.4                     | 81.5        |
| 1.1                                      | Non-controlling interest   | 0.0                       | 0.1                       | -100.0      |
| <b>EUR</b>                               | <b>Earnings per share (EPS)</b>  | <b>EUR</b>                | <b>EUR</b>                | <b>%</b>    |
| 0.43                                     | Basic  | 0.66                      | 0.40                      | 65.0        |
| 0.43                                     | Diluted  | 0.66                      | 0.40                      | 65.0        |

Notes: \* Restated due to IFRS 11 Joint arrangements.

\*\* Restated due to presentation of Exchange differences arising on translation of associates and joint ventures separately.

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## Income Statement

|  | April-June 3 months |                           |             |              |                           |             |
|--|---------------------|---------------------------|-------------|--------------|---------------------------|-------------|
|  | 2015<br>HUFm        | 2014<br>Restated*<br>HUFm | Change<br>% | 2015<br>EURm | 2014<br>Restated*<br>EURm | Change<br>% |
| Total revenues                                   | 96,278              | 86,455                    | 11.4        | 315.0        | 282.6                     | 11.5        |
| Cost of sales                                    | (34,946)            | (34,969)                  | -0.1        | (114.4)      | (114.3)                   | 0.1         |
| Gross profit                                     | 61,332              | 51,486                    | 19.1        | 200.6        | 168.3                     | 19.2        |
| Sales and marketing expenses                     | (25,309)            | (25,519)                  | -0.8        | (82.8)       | (83.5)                    | -0.8        |
| Administration and general expenses              | (5,145)             | (4,743)                   | 8.5         | (16.8)       | (15.5)                    | 8.4         |
| Research and development expenses                | (10,099)            | (10,715)                  | -5.7        | (33.1)       | (35.0)                    | -5.4        |
| Other income and other expenses (net)            | (2,980)             | (1,480)                   | 101.4       | (9.7)        | (4.8)                     | 102.1       |
| Profit from operations                           | 17,799              | 9,029                     | 97.1        | 58.2         | 29.5                      | 97.3        |
| Finance income                                   | 10,260              | 7,028                     | 46.0        | 33.7         | 23.0                      | 46.5        |
| Finance cost                                     | (4,602)             | (2,007)                   | 129.3       | (15.2)       | (6.7)                     | 126.9       |
| Net financial income                             | 5,658               | 5,021                     | 12.7        | 18.5         | 16.3                      | 13.5        |
| Share of profit of associates and joint ventures | 708                 | 501                       | 41.3        | 2.3          | 1.7                       | 35.3        |
| Profit before income tax                         | 24,165              | 14,551                    | 66.1        | 79.0         | 47.5                      | 66.3        |
| Income and deferred tax                          | (906)               | 62                        | n.a.        | (3.0)        | 0.2                       | n.a.        |
| Local business tax and innovation contribution   | (877)               | (905)                     | -3.1        | (2.8)        | (2.9)                     | -3.4        |
| Profit for the period                            | 22,382              | 13,708                    | 63.3        | 73.2         | 44.8                      | 63.4        |
| Profit attributable to:                          |                     |                           |             |              |                           |             |
| Owners of the parent                             | 22,464              | 13,816                    | 62.6        | 73.4         | 45.1                      | 62.7        |
| Non-controlling interest                         | (82)                | (108)                     | -24.1       | (0.2)        | (0.3)                     | -36.7       |
| Average exchange rate (EUR/HUF)                  |                     |                           |             | 305.8        | 306.0                     | -0.1        |
| <b>Earnings per share (EPS)</b>                  | <b>HUF</b>          | <b>HUF</b>                | <b>%</b>    | <b>EUR</b>   | <b>EUR</b>                | <b>%</b>    |
| Basic  | 122                 | 74                        | 64.9        | 0.40         | 0.24                      | 66.7        |
| Diluted  | 122                 | 74                        | 64.9        | 0.40         | 0.24                      | 66.7        |

Note: \* Restated due to IFRS 11 Joint arrangements.

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## Cash flow Statement

| 12 months to Dec        |  | 6 months to June          |                           |
|-------------------------|--|---------------------------|---------------------------|
| 2014<br>Audited<br>HUFm |  | 2015<br>Unaudited<br>HUFm | 2014<br>Restated*<br>HUFm |
|                         | Operating activities   |                           |                           |
| 24,950                  | Net income attributable to owners of the parent                                    | 37,508                    | 23,158                    |
| 29,363                  | Depreciation and amortisation  | 15,784                    | 15,062                    |
| (271)                   | Non cash items accounted through Total Comprehensive Income                        | (871)                     | 247                       |
| 3,296                   | Reassessment of borrowing  | 24                        | 2,656                     |
| (2,174)                 | Net interest and dividend income   | (888)                     | (1,151)                   |
| 761                     | Income tax recognised through profit or loss                                       | 3,195                     | 1,050                     |
| 927                     | Changes in provision for defined benefit plans                                     | -                         | -                         |
| 2,222                   | Loss on disposal of property, plant and equipment and intangible assets            | 50                        | 146                       |
| 851                     | (Reversal of impairment) / impairment recognized on intangible assets              | (569)                     | -                         |
| 5,239                   | Expense recognised in respect of equity-settled share-based payments               | -                         | -                         |
|                         | Movements in working capital   |                           |                           |
| 5,742                   | (Increase) / decrease in trade and other receivables                               | (7,851)                   | 8,846                     |
| 2,592                   | (Increase)/ decrease in inventories  | (11,274)                  | (6,752)                   |
| (5,260)                 | Increase / (decrease) in payables and other short and long term liabilities        | 10,293                    | 5,084                     |
| (1,373)                 | Interest expense   | (628)                     | (701)                     |
| (4,664)                 | Income tax paid  | (2,041)                   | (2,180)                   |
| 62,201                  | Net cash flow from operating activities  | 42,732                    | 45,465                    |
|                         | Investing activities   |                           |                           |
| (28,406)                | Payments for property, plant and equipment   | (6,694)                   | (8,592)                   |
| (14,828)                | Payments for intangible assets   | (1,685)                   | (8,482)                   |
| 444                     | Proceeds from disposal of property, plant and equipment                            | 1,042                     | 321                       |
| (163)                   | Payments to acquire financial assets   | (2,037)                   | (146)                     |
| 937                     | Proceeds on sale of financial assets   | 9                         | 295                       |
| 93                      | (Proceeds from) / repayments of loan receivable                                    | (1,130)                   | (94)                      |
| 3,222                   | Interest income  | 1,515                     | 1,836                     |
| 325                     | Dividend income  | 1                         | 16                        |
| (7,214)                 | Net cash outflow on acquisition of subsidiaries                                    | (25,058)                  | (9,210)                   |
| (45,590)                | Net cash flow from investing activities  | (34,037)                  | (24,056)                  |
|                         | Financing activities   |                           |                           |
| (9,799)                 | Purchase of treasury shares  | (253)                     | (836)                     |
| (10,603)                | Dividends paid   | (6,125)                   | (10,571)                  |
| (5,593)                 | Repayment of borrowings (-)  | (6,615)                   | (93)                      |
| 891                     | Proceeds from borrowings (+)   | -                         | 450                       |
| (25,104)                | Net cash flow from financing activities  | (12,993)                  | (11,050)                  |
| (8,493)                 | Net (decrease) / increase in cash and cash equivalents                             | (4,298)                   | 10,359                    |
| 106,577                 | Cash and cash equivalents at beginning of year                                     | 97,940                    | 106,577                   |
| (144)                   | Effect of foreign exchange rate changes on the balances held in foreign currencies | 1,774                     | (2,108)                   |
| 97,940                  | Cash and cash equivalents at end of period   | 95,416                    | 114,828                   |

Note: \* Restated due to IFRS 11 Joint arrangements.

Prepared in accordance with IAS 34 Interim Financial Reporting.



## **II. Report by business segment**

## 1. Business segment information

The activities of Richter Group are presented in this Report along three operating segments. Those subsidiaries of the Group that are engaged in the core activities of research and development together with manufacturing and sale of pharmaceutical products have been classified as the Pharmaceutical segment. The performance of those distributor and retail subsidiaries that represent the distribution chain in some of our markets and facilitate our products reaching final buyers are presented under the Wholesale and Retail segment. Finally, the Other segment relates to the business of those group members that do not belong to any of the above segments. These companies provide services to group members belonging to the Pharmaceutical segment.

In the following section we present key data by business segments.

| HUFm   | Pharmaceuticals  |         | Wholesale and retail |        | Other            |       | Eliminations     |         | Group total      |         |
|--|------------------|---------|----------------------|--------|------------------|-------|------------------|---------|------------------|---------|
|  | 2015             | 2014    | 2015                 | 2014   | 2015             | 2014  | 2015             | 2014    | 2015             | 2014    |
|  | Restated*        |         | Restated*            |        | Restated*        |       | Restated*        |         | Restated*        |         |
|  | 6 months to June |         | 6 months to June     |        | 6 months to June |       | 6 months to June |         | 6 months to June |         |
| Total revenues                                   | 158,682          | 150,629 | 29,229               | 28,374 | 2,106            | 2,151 | (6,064)          | (6,395) | 183,953          | 174,759 |
| Gross profit                                     | 112,530          | 103,402 | 3,949                | 3,075  | 433              | 421   | (51)             | (212)   | 116,861          | 106,686 |
| Profit from operations                           | 31,121           | 19,708  | 595                  | (350)  | 39               | 43    | (106)            | (249)   | 31,649           | 19,152  |
| Share of profit of associates and joint ventures | 408              | 97      | 813                  | 1,063  | (43)             | (6)   | (171)            | -       | 1,007            | 1,154   |
| Number of employees at period end                | 9,662            | 9,920   | 1,425                | 1,467  | 344              | 328   | -                | -       | 11,431           | 11,715  |

Note: \* Restated due to IFRS 11 Joint arrangement.

## 2. Pharmaceuticals sales report

Sales in the pharmaceutical segment in the first half 2015 totalled HUF 158,682 million (EUR 516.8 million), representing an increase of 5.3% (5.4% in Euro terms) compared to the same period of last year.

### 2.1 Pharmaceutical sales by region in currencies of invoicing

As a result of extraordinary movements experienced in the exchange rate of certain currencies with a major impact on our key markets it has been decided to present sales dynamics achieved on each of our reporting regions/markets in the respective currencies of invoicing. For those regions in which Richter operates with multiple currencies turnover figures have been provided in the most important currencies.

|               | Currency<br>(million<br>units) | 2015<br>6 months to June | 2014*   | Change<br>% |
|---------------|--------------------------------|--------------------------|---------|-------------|
| Hungary       | HUF                            | 19,143                   | 18,128  | 5.6         |
| EU **         | EUR                            | 168.8                    | 161.3   | 4.6         |
| Poland        | PLN                            | 151.1                    | 123.6   | 22.3        |
| Romania       | RON                            | 61.0                     | 69.2    | -11.9       |
| EU 10         | EUR                            | 38.8                     | 41.6    | -6.7        |
| EU 15         | EUR                            | 79.6                     | 74.6    | 6.7         |
| CIS           | EUR                            | 194.6                    | 199.2   | -2.3        |
|               | US\$                           | 216.8                    | 273.1   | -20.6       |
| Russia        | RUB                            | 8,658.8                  | 6,250.8 | 38.5        |
| Ukraine       | US\$                           | 14.0                     | 37.9    | -63.1       |
| Other CIS     | EUR                            | 43.6                     | 41.3    | 5.6         |
|               | US\$                           | 48.6                     | 56.7    | -14.3       |
| USA           | US\$                           | 31.4                     | 27.8    | 12.9        |
| China         | EUR                            | 29.5                     | 21.8    | 35.3        |
| Latin America | US\$                           | 11.0                     | 11.3    | -2.7        |
| RoW           | EUR                            | 23.5                     | 20.4    | 15.2        |
|               | US\$                           | 26.1                     | 27.9    | -6.5        |

Notes: \* Please refer to Appendix 3 on page 31 or details of restated figures in respect of 2014.  
 \*\* All Member States of the EU, except for Hungary.

## 2.2 Pharmaceutical sales by region

|                                | HUFm             |                |              |            | EURm             |              |             |            |
|--------------------------------|------------------|----------------|--------------|------------|------------------|--------------|-------------|------------|
|                                | 2015             | 2014*          | Change       |            | 2015             | 2014*        | Change      |            |
|                                | 6 months to June |                |              |            | 6 months to June |              |             |            |
|                                |                  |                |              | %          |                  |              |             | %          |
| Hungary                        | 19,143           | 18,128         | 1,015        | 5.6        | 62.3             | 59.0         | 3.3         | 5.6        |
| EU **                          | 51,826           | 49,564         | 2,262        | 4.6        | 168.8            | 161.3        | 7.5         | 4.6        |
| Poland                         | 11,225           | 9,106          | 2,119        | 23.3       | 36.6             | 29.6         | 7.0         | 23.6       |
| Romania                        | 4,229            | 4,770          | -541         | -11.3      | 13.8             | 15.5         | -1.7        | -11.0      |
| EU 10                          | 11,928           | 12,775         | -847         | -6.6       | 38.8             | 41.6         | -2.8        | -6.7       |
| EU 15                          | 24,444           | 22,913         | 1,531        | 6.7        | 79.6             | 74.6         | 5.0         | 6.7        |
| CIS                            | 59,762           | 61,204         | -1,442       | -2.4       | 194.6            | 199.2        | -4.6        | -2.3       |
| Russia                         | 42,515           | 40,005         | 2,510        | 6.3        | 138.5            | 130.2        | 8.3         | 6.4        |
| Ukraine                        | 3,854            | 8,500          | -4,646       | -54.7      | 12.5             | 27.7         | -15.2       | -54.9      |
| Other CIS                      | 13,393           | 12,699         | 694          | 5.5        | 43.6             | 41.3         | 2.3         | 5.6        |
| USA                            | 8,650            | 6,231          | 2,419        | 38.8       | 28.2             | 20.3         | 7.9         | 38.9       |
| China                          | 9,053            | 6,707          | 2,346        | 35.0       | 29.5             | 21.8         | 7.7         | 35.3       |
| Latin America                  | 3,034            | 2,542          | 492          | 19.4       | 9.9              | 8.3          | 1.6         | 19.3       |
| RoW                            | 7,214            | 6,253          | 961          | 15.4       | 23.5             | 20.4         | 3.1         | 15.2       |
| <b>Total</b>                   | <b>158,682</b>   | <b>150,629</b> | <b>8,053</b> | <b>5.3</b> | <b>516.8</b>     | <b>490.3</b> | <b>26.5</b> | <b>5.4</b> |
| Average exchange rate (EURHUF) |                  |                |              |            | 307.0            | 307.2        | -0.2        | -0.1       |

Notes: \* Please refer to Appendix 3 on page 31 or details of restated figures in respect of 2014.  
 \*\* All Member States of the EU, except for Hungary.

A list of products referred to in this report is presented in Appendix 1 on page 29.

### 2.2.1 Hungary

In **Hungary** sales totalled HUF 19,143 million (EUR 62.3 million) in the first half 2015, an increase of 5.6% both in HUF terms and in Euro terms when compared to the same period 2014. A number of products showed significant sales growth during the reported period, notably **Tanydon** (and **Tanydon HCT**), **Klion** (and **Klion D**), **Scippa** and **Esmya**<sup>®</sup>.

Marginal changes to the price regulation system did not impact materially the Group's overall performance in the reported period. However, a tender system first introduced in 2011 aiming towards semestral price adjustments adversely affected several major Richter brands in Hungary. Price cuts to be applied with effect from 1 April 2015 are expected to amount to an annual revenue loss of approximately HUF 154 million.

Based on the latest available market audit (IMS) data for the six months to June 2015 the pharmaceutical market increased by 6.2% year-on-year. In line with this trend retail sales of Richter products also increased by 5.1% compared to the same period 2014. Richter is now the third player on the Hungarian pharmaceutical market with a 5.4% share. When considering only the market for retail prescription drugs, Richter qualifies for second place with a market share of 7.3%.

## 2.2.2 Hungarian regulatory environment

There were no material changes to the regulatory environment in Hungary and thus the market could stabilise, albeit at significantly lower levels than a few years ago. Extraordinary taxes levied on the industry are reclaimable at a maximum rate of 90% subject to adequate R&D expenditures and employment levels being maintained. Given its high level of such expenses Richter qualifies for this maximum allowance. Furthermore by virtue of the law, the Company is entitled to carry over such R&D linked allowances across calendar years.

## 2.2.3 European Union

Sales in the **European Union**, excluding Hungary, amounted to EUR 168.8 million in the first six months of 2015, 4.6% higher than the levels recorded in the same period of 2014.

In **Poland** the Group recorded sales of PLN 151.1 million (EUR 36.6 million) in the first half of 2015, an increase of 22.3% in PLN terms (23.6% in EUR terms) compared to the same period of 2014 primarily due to low sales levels recorded in the base period. Due to a strong flu season, sales of our leading product, **Groprinosin** substantially increased during the reported period. Furthermore a number of products showed sales growth during the reported period, notably **Cavinton**, the range of **oral contraceptives** and **Mydocalm**. Nevertheless, sales continued to be adversely impacted by price erosion of some of our generic products and parallel imports of certain products.

In **Romania** sales amounted to RON 61.0 million in the first half of 2015, a 11.9% year-on-year decrease compared with the same period in 2014. In EUR terms turnover amounted to EUR 13.8 million, 11.0% lower than in the previous year. Sales of the range of **oral contraceptives**, **Cavinton**, **Mydocalm** and **Fasconal** contributed the most to sales levels achieved during the first six months of 2015.

In the **EU10** region sales totalled EUR 38.8 million in the first half of 2015, 6.7% lower than in the same period of last year. This region represented 23% of total EU sales of the Group's pharmaceutical segment.

In the **Czech Republic** turnover in the first six months to June 2015 amounted to CZK 311.2 million (EUR 11.3 million), a decline of 17.4% in CZK terms (17.7% in EUR terms) compared to the sales level achieved in the base period. The year-on-year decline was primarily due to changing our distribution partners which resulted in a one-off stock difference worth approximately two weeks sales. Turnover of the range of **oral contraceptives**, **Verospiron**, **Lunaldin** and **Mertenil** were the major contributors to the sales levels achieved in the reported period. In **Slovakia** turnover amounted to EUR 9.0 million in the first half 2015, EUR 0.9 million lower compared to the same period of 2014. Sales of the range of **oral contraceptives**, **Cavinton**, **Suprax** and **Protevasc** contributed the most to the performance achieved during the reported period. In the **Baltic States** sales amounted to EUR 8.5 million in the first half 2015, EUR 0.9 million lower when compared to the same period 2014. In **Bulgaria** sales totalled EUR 8.2 million in the reported period, representing EUR 0.3 million growth when compared with turnover achieved in the first half 2014.

In the **'traditional' 15 EU Member States** sales amounted to EUR 79.6 million in the first six months to June 2015, 6.7% higher than in the corresponding period 2014. This region contributed 47% of total EU pharmaceutical sales.

In **Germany**, the largest market for the Group in the region, the reported sales of EUR 31.0 million in the first half of 2015 were 7.0% lower when compared to the base period. In **France** the Group's turnover amounted to EUR 10.8 million in the first six months of 2015, exceeding the base period's results by EUR 1.5 million, primarily due to higher **Esmya**<sup>®</sup> sales. Turnover in **Italy** increased by EUR 2.6 million compared to the base period and totalled EUR 8.8 million. Turnover in the **UK** amounted to EUR 8.4 million, an increase of EUR 1.3 million compared to the sales level achieved in first half 2014. Sales in **Spain** amounted to EUR 6.9 million, while sales in the **Benelux countries** reached EUR 6.1 million.

## 2.2.4 CIS

Sales to the **CIS** in the first six months 2015 totalled EUR 194.6 million, a decline of 2.3% compared to the sales levels achieved in the same period 2014. Higher turnover achieved in Russia and in Other CIS republics was more than offset by the significant declines in sales recorded in Ukraine during the first six months 2015.

According to the World Bank's latest growth forecast for **Russia** the economy is expected to contract in 2015 by 2.7% in spite of some stabilization experienced in global oil prices. Notwithstanding the adjustment in oil prices, the strengthening Rouble exchange rate and the lower inflation, the recession deepened in the second quarter 2015. After the annual inflation peaked at 16.9% in March, it began to drop to 15.8% in May, and further to 15.3% in June, nonetheless purchasing power was negatively impacted in the first six months of 2015. According to Richter's own calculations by the end of the first half 2015 the average exchange rate of the Rouble against the Euro weakened year-on-year by 30.3%.

Sales to Russia totalled RUB 8,658.8 million in the first half 2015, 38.5% higher when compared to the relatively low level reported in the first half 2014. A significant destocking occurred in the base period while an exceptional price increase up to 25% was applied with effect from 1 January 2015 to approximately half of our portfolio and both of these factors contributed to the higher turnover achieved. By the end of the first half 2015 sales levels at EUR 138.5 million were 6.4% above the turnover reported in the base period. Higher turnover was driven primarily by good sales performances of the range of **oral contraceptives**, **Mydocalm**, **Panangin** and **Diroton**.

Sales to **Ukraine** amounted to US\$ 14.0 million (EUR 12.5 million) in the first six months to June 2015, a sharp decline of 63.1% (54.9% in EUR terms) compared to the turnover reported for the same period 2014. A more strict receivables control and voluntary shipment restrictions were implemented by the Company as a reaction to the recent political turmoil and the deepening economic decline which have characterised the country since the beginning of 2014. By the end of the reported period, the local currency, UAH, devaluated against the US\$ by 82.1% year-on-year leading to a significant drop in purchasing power.

Sales in **Other CIS republics** totalled EUR 43.6 million (US\$ 48.6 million) in the first half 2015, representing an increase of 5.6% in Euro terms (a decline of 14.3% in US\$ terms) compared to the same period 2014. Significant sales growth was achieved in Euro terms in **Kazakhstan**, although from a low base, which more than offset sales declines experienced in certain other countries of the region.

## 2.2.5 USA

Sales in the **USA** totalled US\$ 31.4 million (EUR 28.2 million) in the first six months of 2015, an increase of US\$ 3.6 million (EUR 7.9 million). Revenues resulting from the drospirenone related profit sharing agreements and significantly higher sales levels of the finished form emergency contraceptive were the main contributors to the growth achieved in the reported period.

## 2.2.6 China

Sales to **China** amounted to EUR 29.5 million (US\$ 32.8 million) in the first six months of 2015, representing an increase of EUR 7.7 million (US\$ 2.8 million) compared to the same period of 2014. This turnover includes a one-off preshipment equivalent to approximately 2 weeks worth of sales.

## 2.2.7 Latin America

Sales in Latin American countries amounted to US\$ 11.0 million (EUR 9.9 million) in the first half 2015, a decrease of US\$ 0.3 million (increase of EUR 1.6 million) when compared to the same period 2014.

## 2.2.8 Rest of the World

Sales in these countries amounted to EUR 23.5 million (US\$ 26.1 million) in the first six months 2015, an increase of EUR 3.1 million (decrease of US\$ 1.8 million) when compared to the same period 2014.

## 2.3 New product launches

In line with the strategic aim of renewing the product portfolio in all markets Richter introduced the following new products in the second quarter 2015:

| Country    | Product            | Active pharmaceutical ingredient | Therapeutic area                 |
|------------|--------------------|----------------------------------|----------------------------------|
| Russia     | Bidop*             | bisoprolol                       | Cardiovascular, antihypertensive |
| Kazakhstan | Pregabalin-Richter | pregabalin                       | CNS, antiepileptic               |
| Moldova    | Bidop*             | bisoprolol                       | Cardiovascular, antihypertensive |
| Armenia    | Bidop*             | bisoprolol                       | Cardiovascular, antihypertensive |
| Uzbekistan | Bidop*             | bisoprolol                       | Cardiovascular, antihypertensive |
| Romania    | Aflamil cream*     | aceclofenac                      | Non-steroid anti-inflammatory    |
| Bulgaria   | Midiana            | drospirenone + 30 mcg EE**       | Gynaecology, oral contraceptive  |
| Serbia     | Belara             | chlormadinone + 30 mcg EE**      | Gynaecology, oral contraceptive  |

Notes: \* Licensed-in product  
\*\* Ethynil estradiol

## 2.4 Female Healthcare

In recognition of the strategic importance to the Company of this therapeutic area a brief presentation of the Female Healthcare (FH) franchise is presented below. This therapeutic area includes the following product groups and therapeutic indications: oral contraceptives (OC), emergency contraceptives (EC), contraceptive devices (CD); menopausal care, pregnancy care and obstetrics, gynaecological infections and other gynaecological conditions. Please refer to Appendix 2 on page 30 for a comprehensive list of major products belonging to this therapeutic field.

### 2.4.1 Female Healthcare sales by region

|                                 | HUFm             |               |              |             | EURm             |              |             |             |
|---------------------------------|------------------|---------------|--------------|-------------|------------------|--------------|-------------|-------------|
|                                 | 2015             | 2014*         | Change       |             | 2015             | 2014*        | Change      |             |
|                                 | 6 months to June |               |              |             | 6 months to June |              |             |             |
|                                 |                  |               |              | %           |                  |              |             | %           |
| Hungary                         | 2,869            | 2,798         | 71           | 2.5         | 9.3              | 9.1          | 0.2         | 2.2         |
| EU **                           | 26,835           | 24,266        | 2,569        | 10.6        | 87.4             | 79.0         | 8.4         | 10.6        |
| Poland                          | 1,917            | 1,522         | 395          | 26.0        | 6.2              | 4.9          | 1.3         | 26.5        |
| Romania                         | 913              | 1,073         | -160         | -14.9       | 3.0              | 3.5          | -0.5        | -14.3       |
| EU 10                           | 3,585            | 3,983         | -398         | -10.0       | 11.7             | 13.0         | -1.3        | -10.0       |
| EU 15                           | 20,420           | 17,688        | 2,732        | 15.4        | 66.5             | 57.6         | 8.9         | 15.5        |
| CIS                             | 14,576           | 12,445        | 2,131        | 17.1        | 47.4             | 40.5         | 6.9         | 17.0        |
| Russia                          | 11,318           | 9,012         | 2,306        | 25.6        | 36.8             | 29.3         | 7.5         | 25.6        |
| Ukraine                         | 1,064            | 1,488         | -424         | -28.5       | 3.5              | 4.9          | -1.4        | -28.6       |
| Other CIS                       | 2,194            | 1,945         | 249          | 12.8        | 7.1              | 6.3          | 0.8         | 12.7        |
| USA                             | 6,853            | 4,959         | 1,894        | 38.2        | 22.4             | 16.2         | 6.2         | 38.3        |
| China                           | 2,440            | 2,653         | -213         | -8.0        | 7.9              | 8.6          | -0.7        | -8.1        |
| Latin America                   | 2,315            | 1,926         | 389          | 20.2        | 7.6              | 6.3          | 1.3         | 20.6        |
| RoW                             | 2,609            | 2,922         | -313         | -10.7       | 8.5              | 9.5          | -1.0        | -10.5       |
| <b>Total</b>                    | <b>58,497</b>    | <b>51,969</b> | <b>6,528</b> | <b>12.6</b> | <b>190.5</b>     | <b>169.2</b> | <b>21.3</b> | <b>12.6</b> |
| Average exchange rate (EUR/HUF) |                  |               |              |             | 307.0            | 307.2        | -0.2        | -0.1        |

Notes: \* Please refer to Appendix 3 on page 31 for details of restated figures in respect of 2014.  
 \*\* All Member States of the EU, except for Hungary.

### 2.4.2 Sales

Female healthcare sales totalled EUR 190.5 million in the first half 2015, an increase of 12.6% compared to the levels reported in six months to June 2014. Turnover arising from the OC portfolio acquired in 2010 amounted to EUR 25.7 million, a flat performance when compared to the base period figure.

#### 2.4.2.1 Hungary

In **Hungary** FH sales totalled HUF 2,869 million (EUR 9.3 million) in the first half 2015, when compared to the base period, represented a 2.5% increase in HUF terms (in Euro terms 2.2%), primarily related to sales of **Esmya**<sup>®</sup>, which were initiated in Hungary in May 2012 and the product was granted 90% reimbursed status in February 2013.



## 2.4.2.2 European Union

FH sales in the **European Union**, excluding Hungary, amounted to EUR 87.4 million in the six months to June 2015, representing an increase of EUR 8.4 million (10.6%) when compared to the base period.

Sales of **Esmya**<sup>®</sup>, our original product, were EUR 17.5 million during the reported period, EUR 5.8 million (49%) above the base period sales levels.

Sales of FH products represented 52% of the turnover in this region during the first half 2015.

FH sales in **Poland** increased by PLN 5.1 million totalling PLN 25.8 million (EUR 6.2 million) in the first six months of 2015, while in **Romania** turnover decreased by RON 2.4 million and amounted to RON 13.2 million (EUR 3.0 million) during the reported period. In the **EU10** region FH sales totalled EUR 11.7 million in the first half 2015, EUR 1.3 million below the levels recorded in the same period of the previous year. With respect to FH sales the EU10 countries altogether represented 13% of the Group's FH sales to the whole EU region.

In the '**traditional**' **15 EU Member States** FH sales amounted to EUR 66.5 million in the six months to June 2015, showing good EUR 8.9 million (15.5%) growth over the levels recorded in the previous year. The year on year increase was primarily due to higher sales levels of **Esmya**<sup>®</sup> together with certain OCs launched in Western Europe. This region contributed 76% of total EU FH sales.

In **Germany** Richter Group reported gynaecological sales of EUR 25.4 million, EUR 0.4 million above the levels reported in the first six months of 2014.

In **France** the Group's turnover arising from FH products amounted to EUR 8.9 million, EUR 1.1 million above the levels recorded in the base period.

In **Italy**, a market where **Esmya**<sup>®</sup> was launched in September 2014, Richter Group reported gynaecological sales of EUR 7.6 million, EUR 2.5 million above the levels reported in the first six months of 2014.

In the **UK** the Group realised a turnover of EUR 7.3 million, which exceeded the base year figure by EUR 2.2 million.

Sales of FH products represented 84% of the turnover in the EU15 region during the first half 2015, due to the efficient work of the recently established sales force teams.

## 2.4.2.3 CIS

FH sales to the **CIS** in the six months to June 2015 totalled EUR 47.4 million representing an increase of EUR 6.9 million from the sales levels achieved in the base period. In RUB terms sales to Russia, within the region, reached RUB 2,305.0 million, showing an increase of RUB 896.9 million or 63.7%.

Turnover of gynaecological products represented 24% of total CIS sales in the reported period.

#### 2.4.2.4 USA

FH sales in the **USA** totalled US\$ 24.9 million (EUR 22.4 million) in the first six months of 2015, an increase of US\$ 2.7 million (EUR 6.2 million) when compared to the same period in the previous year.

Sales of FH products, including the profit sharing related to drospirenone, represented 79% of US sales.

#### 2.4.2.5 China

Sales of FH totalled EUR 7.9 million in the reported period, EUR 0.7 million below the levels achieved in the same period 2014.

#### 2.4.2.6 Latin America

Sales of FH totalled US\$ 8.4 million (EUR 7.6 million) in the first half 2015, US\$ 0.2 million below (in EUR terms 1.3 million higher) that reported in the base period.

#### 2.4.2.7 Rest of the World

FH sales in these countries amounted to EUR 8.5 million (US\$ 9.5 million) in the first six months of 2015, a decline of EUR 1.0 million, (US\$ 3.5 million) when compared to the first half of 2014.

### 2.4.3 Expanding the female healthcare product portfolio

#### 2.4.3.1 Original research and product launch – **Esmya**<sup>®</sup>

**Esmya**<sup>®</sup> reported total sales were EUR 21.2 million in the first half 2015, compared to the EUR 14.5 million turnover recorded in the base period.

Marketing authorizations were granted to **Esmya**<sup>®</sup> in February 2015 in Curaçao and in Panama, and in March 2015 in Peru.

With effect from 30 July 2015 **Esmya**<sup>®</sup> was granted reimbursed status in Croatia.

In order to expand the indication to meet the needs of a wider range of affected women Richter initiated Phase III clinical studies in the third quarter 2012 to establish the long term (on-off) usage of **Esmya**<sup>®</sup> targeting a substantial recession of fibroid tumours and consequently making surgical interventions unnecessary. The studies were completed in the second quarter 2014. The application for the marketing authorization was submitted to the European Commission in August 2014. The Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) has adopted a positive opinion on the company's application to extend the indication of **Esmya**<sup>®</sup> 5 mg tablets (ulipristal acetate) and on 28 May 2015 the European Commission (EC) granted approval for the intermittent use of **Esmya**<sup>®</sup> 5 mg in the long term management of uterine fibroids.

### 2.4.3.2 Development – generic product launches

In line with the strategic aim of renewing the product portfolio in all markets *Midiana*, an oral contraceptive was introduced in Bulgaria, while *Belara*, another OC was introduced in Serbia during the first half 2015.

## 3. Pharmaceuticals – Operating profit and margin

Operating profit for the Group originated primarily from the Pharmaceuticals segment. Operating profit for this business segment amounted to HUF 31,121 million during the first half 2015, an increase of 57.9% when compared to the same period of the previous year. Operating margin increased to 19.6% from the 13.1% realised in the first half 2014. Following the acquisitions made in 2010 the amortisation of both *Esmya* and the acquired OC portfolio were incurred as cost items in the reported period and amounted to HUF 3,707 million.

## 4. Wholesale and retail sales report

|                                 | HUFm             |               |            |            | EURm             |             |            |            |
|---------------------------------|------------------|---------------|------------|------------|------------------|-------------|------------|------------|
|                                 | 2015             | 2014          | Change     | %          | 2015             | 2014        | Change     | %          |
|                                 | 6 months to June |               |            |            | 6 months to June |             |            |            |
| Hungary                         | 77               | 66            | 11         | 16.7       | 0.3              | 0.2         | 0.1        | 50.0       |
| EU *                            | 20,562           | 20,497        | 65         | 0.3        | 66.9             | 66.8        | 0.1        | 0.1        |
| Poland                          | -                | -             | -          | -          | -                | -           | -          | -          |
| Romania                         | 20,562           | 20,497        | 65         | 0.3        | 66.9             | 66.8        | 0.1        | 0.1        |
| EU 10                           | -                | -             | -          | -          | -                | -           | -          | -          |
| EU 15                           | -                | -             | -          | -          | -                | -           | -          | -          |
| CIS                             | 6,628            | 6,242         | 386        | 6.2        | 21.6             | 20.3        | 1.3        | 6.4        |
| Russia                          | -                | -             | -          | -          | -                | -           | -          | -          |
| Ukraine                         | -                | -             | -          | -          | -                | -           | -          | -          |
| Other CIS                       | 6,628            | 6,242         | 386        | 6.2        | 21.6             | 20.3        | 1.3        | 6.4        |
| USA                             | -                | -             | -          | -          | -                | -           | -          | -          |
| China                           | -                | -             | -          | -          | -                | -           | -          | -          |
| Latin America                   | 1,962            | 1,569         | 393        | 25.0       | 6.4              | 5.1         | 1.3        | 25.5       |
| RoW                             | -                | -             | -          | -          | -                | -           | -          | -          |
| <b>Total</b>                    | <b>29,229</b>    | <b>28,374</b> | <b>855</b> | <b>3.0</b> | <b>95.2</b>      | <b>92.4</b> | <b>2.8</b> | <b>3.0</b> |
| Average exchange rate (EUR/HUF) |                  |               |            |            | 307.0            | 307.2       | -0.2       | -0.1       |

Note: \* All Member States of the EU, except for Hungary.

The principal aim of the Wholesale and Retail companies is to support the sales levels of our products on the Group's selected traditional markets.

Sales amounted to EUR 95.2 million in the first six months 2015, a 3.0% increase compared to the same period of the previous year.

Our Romanian subsidiaries realised 70% of the turnover in the Wholesale and Retail segment (RON 296.6 million), with the remainder primarily being invoiced by our subsidiaries in the CIS region. In the first half 2015 sales levels in Romania remained virtually flat (-0.3% RON terms and +0.1% in EUR terms). A slow reduction in payment delays continued on the Romanian pharma market during the reported period, yet excessive delays continue to prevail in the pharma sector.

## 5. Wholesale and retail – Operating profit and margin

The combined amount of operating profit from subsidiaries and the stakeholding proportional amount of income from associates and joint ventures operating in the Wholesale and retail segment totalled HUF 1,408 million during the reported period.

The consolidated operating profit of subsidiaries belonging to this segment was HUF 595 million, when compared to an operating loss of HUF 350 million realised in the same period of the previous year.

## Disclosures

I, the undersigned declare, that Gedeon Richter Plc. takes full responsibility, that the interim management report published today, which contains the Group's first six months to June 2015 results is prepared in accordance with the applicable accounting standards and according to the best of our knowledge. The report above provides a true and fair view of the financial position of Gedeon Richter Plc., comprises the subsidiaries included in the consolidation, contains an explanation of material events and transactions that have taken place during the reported period and their impact on the financial position of Gedeon Richter Plc. and its subsidiaries included in the consolidation.

Budapest, 30 July 2015



Erik Bogesch  
Managing Director

The financial statements in this report cover the activities of Gedeon Richter Group ('The Group' or 'Richter Group') and Gedeon Richter Plc. ('The Company' or 'Richter'). These interim condensed financial statements are prepared in accordance with IAS 34 Interim Financial reporting. EUR and US\$ amounts have been converted from HUF at average exchange rates for indicative purposes only. Financial statements for the six months to June 2015 and 2014 are unaudited. Financial statements for the twelve months period ended 31 December 2014 are audited. The Company has adopted the same accounting policies during the preparation of this report as for the preparation of the most recent annual financial report.

## Appendix 1

### Products and active ingredients

The following products are referred to in this report:

| Product                                   | Active pharmaceutical ingredients                     | Therapeutic area                     |
|---|---|--------------------------------------|
| Aflamil */ Aflamin* / Airtal* / Biofenac* | aceclofenac   | Non-steroid anti-inflammatory        |
| Belara                                    | chlormadinone + 30 mcg EE**                           | Gynaecology, oral contraceptive      |
| Bidop*                                    | bisoprolol  | Cardiovascular, antihypertensive     |
| Cavinton                                  | vinpocetine   | CNS, nootropic                       |
| Diroton / Lisopress                       | lisinopril  | Cardiovascular, antihypertensive     |
| Esmya®                                    | ulipristal acetate                                    | Gynaecology, uterine myoma           |
| Fasconal                                  | acetylsalicylic acid + paracetamol+caffeine + codeine | Analgesic                            |
| Groprinosin                               | inosine pranobex                                      | Antiviral                            |
| Kalmopyrin                                | acetylsalicylic acid                                  | CNS, analgesic                       |
| Klion                                     | metronidazole   | Anti-infective                       |
| Klion D                                   | metronidazole+miconazole                              | Gynaecology, antifungal              |
| Lunaldin*/Dolforin*                       | fentanyl  | Oncology, opioid analgesic           |
| Midiana                                   | drospirenone + 30mcg EE**                             | Gynaecology, oral contraceptive      |
| Mydeton / Mydocalm                        | tolperisone   | Muscle relaxant                      |
| Panangin, Panangin Forte                  | asparaginate  | Cardiovascular, cardiac therapy      |
| Plan B OneStep                            | levonorgestrel  | Gynaecology, emergency contraception |
| Pregabalin-Richter                        | pregabalin  | CNS, antiepileptic                   |
| Protevasc                                 | trimetazidine   | Cardiovascular, cardiac therapy      |
| Scippa                                    | escitalopram  | CNS, antidepressant                  |
| Suprax*                                   | cefixime  | Antibiotic                           |
| Tanydon HCT*                              | telmisartan + hydrochlorothiazide                     | Cardiovascular, antihypertensive     |
| Verospiron                                | spironolactone  | Cardiovascular, diuretic             |
| Xeter / Mertenil / Zaranta / Rostat       | rosuvastatin  | Cardiovascular, cholesterol lowering |

Notes: \* Licensed-in  
\*\* Ethinyl estradiol

## Appendix 2

### Female healthcare products and active ingredients

| Brand name   | Active ingredients         | Product type  |
|--|----------------------------|---|
| <b>Oral contraceptives (OC)</b>  |                            |   |
| Volina / Midiana / Aranka / Maitalon 30  | DRP+30mcg EE               | Fourth generation   |
| Symicia / Daylette / Daylla / Volina Mite / Rezia / Maitalon 20 / Darylia / Dimia / Liladros / Arankelle | DRP+20mcg EE               | Fourth generation   |
| Regulon / Desorelle / Desmin 30  | DSG+30mcg EE               | Third generation  |
| Novynette / Desmin 20 / Femina   | DSG+20mcg EE               | Third generation  |
| Azalia / Lactinette  | DSG                        | Third generation  |
| Lindynette 20 / Karissa  | GST+20mcg EE               | Third generation  |
| Lindynette 30  | GST+30mcg EE               | Third generation  |
| Milligest / Tristin / Perlean  | GST+EE                     | Third generation  |
| Rigevidon / Microfemin   | LVG+EE                     | Second generation   |
| Tri-Regol  | LVG+EE                     | Second generation   |
| Belara / Chariva / Lybella / Balanca / Belarina / Evefem   | CLM+EE                     |   |
| Neo-Eunomin  | BCLM+EE                    |   |
| Eve 20   | norethisterone+EE          | First generation  |
| Silhouette / Mistral / Mistra / Sibilla  | dienogest + 30 mcg EE      | Fourth generation   |
| <b>Emergency contraceptives (EC)</b>   |                            |   |
| Postinor / Rigesoft / Levonelle-2 / Plan B   | LVG (2x)                   |   |
| Escapelle / Levonelle One-Step / Plan B One Step   | LVG (1x)                   |   |
| Ellaone*   | ulipristal acetate         |   |
| <b>Contraceptive device (CD)</b>   |                            |   |
| Goldlily / Silverlily  | Au+Cu, Ag+Cu               | IUD   |
| <b>Menopausal care</b>   |                            |   |
| Tulita / Minivel   | norethisterone+estradiol   | Hormone replacement therapy   |
| Femseven*  | estradiol hemihydrate      | Hormone replacement therapy (patch)   |
| Femseven Combi*  | LVG+estradiol              | Hormone replacement therapy (patch)   |
| Triaklim   | norethisterone+estradiol   | Hormone replacement therapy   |
| Pausogest  | norethisterone+estradiol   | Hormone replacement therapy   |
| Goldar*  | tibolone                   | Hormone replacement therapy   |
| Estrimax   | estradiol                  | Hormone replacement therapy   |
| Ossica   | ibandronate                | Osteoporosis  |
| Sedron / Ostalon / Siranin / Beenos  | alendronate                | Osteoporosis  |
| Calci-Sedron-D / Ostalon Calci D   | alendronate+Ca, vitamine D | Osteoporosis  |
| <b>Pregnancy care and Obstetrics</b>   |                            |   |
| Gravida*   | vitamins                   | Pregnancy care  |
| Oxytocin   | oxytocine                  | Labour induction (injection)  |
| Bromocriptin   | bromocriptin mesilate      | Prolactin inhibitor   |
| <b>Gynaecological infections</b>   |                            |   |
| Mycosyst   | fluconazole                | Antifungal  |
| Gyno Femidazol   | miconazole nitrate         | Antifungal  |
| Gynofort / Gynazol*  | butoconazole nitrate       | Antifungal (cream)  |
| Klion D  | metronidazole+miconazole   | Antifungal  |
| <b>Other Gynaecological conditions</b>   |                            |   |
| Esmya®   | ulipristal acetate         | Uterine myoma   |
| Norcolut   | norethisterone             | Premenstruation syndrome, mastodynia, dysfunctional uterine bleeding, endometriosis |
| Loritan*   |                            | Medical pad for the detection of potential leakage of the amniotic liquid           |
| Levosert*  | levonorgestrel             | Menorrhagia   |
| <b>Bulk Products</b>   |                            | Oral contraception  |

Note: \* Licensed-in

Abbreviations used:

LVG: Levonorgestrel  
 EE: Ethinyl estradiol  
 CLM: Chlormadinone

DRP: Drospirenone  
 GST: Gestodene  
 DSG: Desogestrel  
 BCLM: Biphasic-chlormadinone

## Appendix 3

### Changes relating to the application of the IFRS 11 standard

With effect from 1 January 2014 IFRS 11 Joint Arrangements Standards became relevant for the accounting treatment of joint ventures and joint operations.

Three companies belonging to the Group (Medimpex Irodaház Kft, Richter-Helm BioTec GmbH & Co KG and Richter-Helm BioTec Management GmbH) which had been previously included in the consolidated accounts by means of proportional consolidation have been deemed to be joint ventures as per IFRS 11 regulation and consequently they have been included in the consolidated accounts by means of equity consolidation with effect from 2014.

In order to maintain comparability figures in respect of 2014 have been restated.