

GALENKA – FITOFARMACIJA A.D.

Batajniki drum bb

11080 Zemun

ID No: 07725531

Tax ID No: 100001046

# **SIX - MONTH CONSOLIDATED REPORT 2015**

## **GALENKA – FITOFARMACIJA A.D.**



Dear shareholders,

here is Six - month Consolidated Report 2015, prepared in accordance with Art. 52 of the Capital Market Law („Official Gazette of RS”, no. 31/2011) and in accordance with the Rules on the content, form and the way of publication annual, six - month and quarterly reports of public companies („Official Gazette of RS“, no. 14/2012).

### ***CONTENT OF ANNUAL REPORT***

**I Financial Consolidated Report for the first half of 2015**

**II Business Report in the first half of 2015**

**III Statement of persons responsible for the preparation of Six – month Consolidated Report**



# I FINANCIAL CONSOLIDATED REPORT 2015

**BALANCE SHEET (IN 000 RSD)**

	31-Dec-14	30-Jun-15
<b>ASSETS</b>		
Property, plant and equipment (PP&E)	1.768.064	1.802.747
Intangible assets	4.508	4.034
LT financial placements	14.442	15.272
<i>Fixed assets</i>	<u>1.787.014</u>	<u>1.822.053</u>
Prepaid tax, other expenses and accrued revenues	66.333	3.778
Inventory	1.423.256	878.602
Receivables	527.309	2.121.392
ST financial placements	1.817.615	1.989.453
Cash and cash equivalents	267.586	304.818
<i>Current assets</i>	<u>4.102.099</u>	<u>5.298.043</u>
<i>Deferred tax assets</i>	24.644	24.644
<i>Operating assets</i>	5.913.757	7.144.740
<b>Total assets</b>	<b><u>5.913.757</u></b>	<b><u>7.144.740</u></b>
<b>Off-balance sheet assets</b>	279.922	516.213
<b>EQUITY AND LIABILITIES</b>		
Shareholders and Other equity	1.755.600	3.511.200
Reserves	851.353	851.353
Revaluation surplus	27.378	27.378
Un-realized gains on shares trading	-3	-3
Retained earnings	2.522.433	1.681.327
Loss	2.939	1.130
<i>Equity</i>	<u>5.153.822</u>	<u>6.070.125</u>
LT reserved funds	0	0
LT Debt	0	0
Liabilities from business operations	283.301	636.894
ST financial liabilities	346.000	174.684
Liabilities for VAT and other public revenues	8.315	13.922
Other ST liabilities	103.329	234.002
Accruals and deferred income	18.990	15.113
Liabilities for income tax		
<i>Current (ST) liabilities</i>	<u>759.935</u>	<u>1.074.615</u>
Liabilities and reserved funds	<u>759.935</u>	<u>1.074.615</u>
<b>Total equity and liabilities</b>	<b><u>5.913.757</u></b>	<b><u>7.144.740</u></b>
<b>Off-balance sheet liabilities</b>	279.922	516.213

**INCOME STATEMENT (IN 000 RSD)**

	<b>30-Jun-14</b>	<b>30-Jun-15</b>
<b>OPERATING REVENUES</b>		
Sales	2.700.984	3.030.867
Other operating revenues	1.415	2.878
<i>Total operating revenues</i>	<b>2.702.399</b>	<b>3.033.745</b>
<b>OPERATING EXPENSES</b>		
Cost of goods sold (COGS)	282.891	328.964
Cost of material	748.358	888.508
Change in inventory value	459.905	409.560
Fuel and energy costs	19.585	14.669
Salaries / Other personal expenses	144.994	162.956
Cost of production services	102.774	155.428
Amortization expense	40.221	36.744
Other operating expenses	36.461	39.847
<i>Total operating expenses</i>	<b>1.835.189</b>	<b>2.036.676</b>
<b>OPERATING PROFIT</b>	<b>867.210</b>	<b>997.069</b>
<i>Operating profit margin</i>	32%	33%
Financial revenues	50.509	36.707
Financial expenses	13.803	36.552
<i>Financial profit/loss</i>	<b>36.706</b>	<b>155</b>
Revenues from assets valuation adjustments	0	0
Expenses from assets valuation adjustments	148.489	167.078
<i>Profit/loss from valuation adjustments</i>	<b>-148.489</b>	<b>-167.078</b>
Other revenues	266.850	334.319
Other expenses	9.022	4.354
<i>Non-operating profit/loss</i>	<b>257.828</b>	<b>329.965</b>
Earnings before tax (EBT)	1.013.255	1.160.111
Tax	44.299	43.168
<b>NET PROFIT</b>	<b>968.956</b>	<b>1.116.943</b>



# **II SIX-MONTH CONSOLIDATED BUSINESS REPORT 2015**



## I GENERAL INFORMATION

### 1. Basic info

Company name:	GALENKA – FITOFARMACIJA a.d., Batajnički drum bb, 11080 Beograd - Zemun
No. of Decision of Serbian Business Registers Agency:	BD 307/2005 dated January 27, 2005
ID No.:	07725531
Tax ID No.:	100001046
Registered activity:	Manufacture of agricultural chemicals, Activity Code 2020
Web site & email:	<a href="http://www.fitofarmacija.rs">www.fitofarmacija.rs</a> ; office@fitofarmacija.rs
Share capital:	RSD 3.511.200.000 at June 30, 2015
Number of issued shares:	2.640.000 (ordinary); ISIN No: RSFITOE21521; CFI code: ESVUFR; BELEX: FITO
Number of own shares:	None
Subsidiaries:	<ul style="list-style-type: none"><li>• ENVIPACK d.o.o., Belgrade, ID No 2080115, Activity Code 7022 Consultancy activities in connection with business and other management;</li><li>• GALENIKA-FITOFARMACIJA zastupanje i trgovina d.o.o. Ljubljana, ID No 6813313000, Activity Code 46.900 Non-specialized wholesale trade</li></ul>
Auditor:	UHY REVIZIJA d.o.o., Belgrade, ID No.: 17082175

### 2. Company Management

Board of Directors:

Non-executive directors:

- Nedeljko Puhar from Belgrade, B.A. in Economics, president of the Company. Owner of 6,14% of the Company shares.
- Zivorad Vojinovic from Belgrade, B.A. in Economics, Owner of 75% of Company Mikend and 21,56% of the Company shares.
- Branislav Medakovic from Belgrade, B.A. in Economics, certified internal auditor. Head of the Fund Support and Liquidity Office in Piraeus bank.
- Dusan Mojsilovic from Kragujevca, B. Sc. In Agricultural Engineering, owner of Agromarket d.o.o.

Independent director:

- Mirjana Bogicevic from Belgrade, B.A. in Economics, director of Insurance Company Energoprojekt Garant plc.

Executive directors:

- Dragan Nenadovic from Belgrade, B.A. in Economics, general manager of the Company. Owner of 5,72% of the Company shares.
- Slavica Pekovic from Belgrade, M. Sc. in Management, Executive director for Corporate Affairs.

Company Secretary: Lidija Nikolic, M. Sc. in Management.



### 3. Ownership structure

Information on ownership structure may be found at the web site of Central Securities Depository and Clearing House ([www.crhov.rs](http://www.crhov.rs)). Ownership structure on June 30, 2015 was shown in following tables:

No. of shareholders by share in capital	No. of entities		No. shares		% of total issued	
	local	foreign	local	foreign	local	foreign
0% to 5%	1.225	59	522.210	136.973	39,56%	10,38%
5% to 10%	2		156.571		11,86%	
10% to 25%	2		504.246		38,20%	
<b>Total:</b>	<b>1.288</b>		<b>1.320.000</b>		<b>100%</b>	

Type of shareholder	No. shares	%
Owned by individuals	693.483	52,54%
Owned by legal entities	458.626	34,74%
Joint (custody) account	167.891	12,72%
<b>Total:</b>	<b>1.320.000</b>	<b>100%</b>

Top ten shareholders by number of shares and votes:

No.	Shareholder	No. shares	%
1.	Vojinović Živorad	284.598	21,56%
2.	Agromarket d.o.o.	219.648	16,64%
3.	Puhar Nedeljko	81.096	6,14%
4.	Nenadović Dragan	75.475	5,72%
5.	Unicredit bank Srbija ad - kastodi račun	64.500	4,89%
6.	Mikend d.o.o	50.277	3,81%
7.	Terra capital cayman	41.372	3,13%
8.	Herma investments co., ltd.	40.061	3,03%
9.	Komp. Dunav osiguranje a.d.o.	35.853	2,72%
10.	Sempiola invest limited	22.712	1,72%
	<b>Total:</b>	<b>915.592</b>	<b>69,36%</b>

### 4. General information of subsidiaries

4.1 Company name:	ENVIPACK d.o.o. Batajnički drum bb, 11080 Belgrade - Zemun
ID No.:	20801115
Tax ID No:	107430272
Registered activity:	Consultancy activities in connection with business and other management, Activity Code 7022
Legal representative:	Aleksandar Sosevic
Web site & email:	<a href="http://www.envipack.rs">www.envipack.rs</a> ; <a href="mailto:office@envipack.rs">office@envipack.rs</a>

ENVIPACK d.o.o was founded in February 2012. godine in 100% owned by GALENIKA – FITOFARMACIJA a.d..

ENVIPACK operates as a specialized subsidiary, under the already authorized operator for packaging waste management EKOSTAR PAK. The primary focus of ENVIPACK is the management for pesticide packaging.





4.2	Company name:	GALENKA – FITOFARMACIJA, zastupanje i trgovina, d.o.o., Tržaška cesta 515, 1351 Brezovica pri Ljubljani, Republica of Slovenia
	Id No:	6813313000
	Tax ID No :	90008847
	Registered activity:	Non-specialized wholesale trade, Activity Code 46.900
	Legal representative :	Slavica Pekovic

GALENKA – FITOFARMACIJA d.o.o., Slovenija, was founded in March, 2015 in 100% owned by GALENIKA – FITOFARMACIJA a.d., for administrative purposes of registration of the products from the parent company product range in the EU member countries.

In accordance with applicable regulations of the EU, in order for a company to be able to submit an application for registration of plant protection product in the EU (the applicant company), it must have its registered office in one of the EU member states, and a company in which the plant protection product is produced (place of production) may be located anywhere in the world.

## II BUSINESS PERFORMANCE IN FIRST HALF OF 2015

Detailed Six-month Report on the operations of GALENIKA – FITOFARMACIJA a.d. in 2015 is an integral part of the Six-month Report for 2015 and can be found on the web site of the Belgrade Stock Exchange and the web site of the Company, in the part *For investors/Reporting*.

### Business operations of ENVIPACK d.o.o.

In 2015 ENVIPACK d.o.o. has continued with the development of the system for collection and disposal of the packaging waste in accordance with its Integral license. The number of waste collection points has increased by 15 compared to the previous year, so there are 103 of them at the moment. All points are equipped with the bags for collection and separation of the packaging waste.

The most significant quantities of the packaging waste are collected in the periods June-July and November-December. Packaging waste is disposed of in a controlled way, following the regulations and securing complete documentation for all participants in the system. In the first half of 2015 about 64 tons of packaging waste have been disposed of.

In addition to the operating activities of waste collection and disposal, a great attention has been paid to promotion of the proper handling of the empty packages (a procedure of triple washing of the empty packaging). ENVIPACK d.o.o. thus also took part in the international counselling called 'Hazardous Industrial Waste and Wastewater Treatment' in Sremski Karlovci.

Even though the waste from PPPs represents the priority in its business operations, ENVIPACK d.o.o. as an independent operator with the integrated license for different types of waste, disposed of significant quantities of waste from other industries (paints and varnishes, rubber industry, etc.).

In the forthcoming period ENVIPACK d.o.o. will continue to develop its system for collection and disposal of the packaging waste as well as the activities of educating end users for the proper handling of empty packaging of the plant protection products.

### Business operations of GALENIKA – FITOFARMACIJA d.o.o., Slovenia

In March and April of this year GALENIKA – FITOFARMACIJA d.o.o. applied for registration of three products for plants protection, the two of which in Austria and the one in Slovenia, where GALENIKA – FITOFARMACIJA a.d., Serbia was stated as a production site.

## III SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

There were no significant transactions with related parties during the last period.



Six-month Financial Consolidated Report 2015, according to the best of our knowledge, have been prepared with the application of relevant International Financial Reporting Standards and give us a true and objective information about the assets, liabilities, financial position and operations, profits and losses, cash flows and changes in equity.

Six-month Financial Consolidated Report 2015 has not been, nor will it be audited by external auditors.

Six-month Consolidated Report 2015 was approved by Board of Directors on meeting held on August 27<sup>th</sup> 2015.

Head of Financial and Accounting Division,  
M.Sc.Ecc. Gordana Arlov

Executive Director of Corporate Affairs,  
M.Sc. Slavica Pekovic

General Manager,  
B.Sc.Ecc. Dragan Nenadovic

In Belgrade, August 27<sup>th</sup>, 2015