

## **PERFORMANCE ANALYSES**

### **For the period January - September 2016**

According to the unaudited stand alone and consolidated Income statement for the period January - September 2016, Alkaloid AD Skopje achieved positive financial results.

#### **Accounting policies and evaluation methods**

There were no changes in the accounting policies and evaluation methods in the positions of the financial statements of Alkaloid AD Skopje in 2016.

#### **Total revenues**

The total stand alone revenues for January - September 2016 in the amount of 4.950.403 thousand denars have increased for 5%, compared to 2015. The largest portion of 97% in the total revenues belongs to the sales revenues, which compared to 2015 have increased for 7%.

The total consolidated revenues for January - September 2016 in the amount of 6.331.952 thousand denars have increased for 3%, compared to 2015. The largest portion of 97% in the total revenues belongs to the sales revenues, which compared to 2015 have increased for 5%.

#### **Total expenses**

The total stand alone expenses for January - September 2016 in the amount of 4.374.695 thousand denars have increased for 4% compared to 2015.

The total consolidated expenses for January - September 2016 in the amount of 5.747.386 thousand denars have increased for 3% compared to 2015.

#### **Dividend**

The dividends approved by shareholders on 4 April 2016 were Denar 329.211 thousands or gross 230 denars for one ordinary share. Net dividend for 2015 is 207 denars for one ordinary share.

#### **Investments**

The total investments in non-current assets in January - September 2016 are in the amount of 546.878 thousand denars.

#### **Borrowings**

The total consolidated borrowings as at 30.09.2016 are in the amount of 565.577 thousand denars.

#### **New employments**

There were 115 new employments for the period January - September 2016 in Alkaloid in Republic of Macedonia.

**Significant Income statement positions**

The achieved stand alone and consolidated results for the period January - September 2016, the proportions, dynamics and comparison with the previous year are as follows:

**Stand alone sales**

Market	(In 000 MKD)				
	2016		2015		Ind
	Sales	%	Sales	%	16/15
Domestic market	1.859.892	39	1.791.185	40	104
Foreign market	2.928.468	61	2.701.173	60	108
<b>Total:</b>	<b>4.788.360</b>	<b>100</b>	<b>4.492.358</b>	<b>100</b>	<b>107</b>

**Consolidated sales**

Market	(In 000 MKD)				
	2016		2015		Ind
	Sales	%	Sales	%	16/15
<b>Macedonia</b>	<b>2.431.754</b>	<b>39</b>	<b>2.386.458</b>	<b>41</b>	<b>102</b>
Southeast Europe	2.090.058	34	2.047.389	35	102
Russia and CIS	402.429	7	360.915	6	112
Western Europe (EU and EFTA)	1.091.938	18	989.138	17	110
Other (USA, Turkey etc.)	143.977	2	88.411	2	163
<b>Total foreign market</b>	<b>3.728.402</b>	<b>61</b>	<b>3.485.853</b>	<b>59</b>	<b>107</b>
<b>Total:</b>	<b>6.160.156</b>	<b>100</b>	<b>5.872.311</b>	<b>100</b>	<b>105</b>

Out of the total consolidated sales, 61% were realized in the foreign market. The highest rise in export markets was seen in the following countries: USA – 74%, Russia – 12%, Romania – 56%, Slovenia - 17%, Poland – 486%, Great Britain – 198%, Hungary- 236% etc.

Group of products	(In 000 MKD)				
	2016		2015		Ind
	Sales	%	Sales	%	16/15
Antibiotics	728.678	12	730.633	12	100
OTC products	1.112.632	18	1.143.140	19	97
Cardiovascular products	1.098.681	18	964.596	16	114
Neurological products	832.700	14	799.218	14	104
Other	616.932	10	588.726	10	105
<b>Total products - Alkaloid</b>	<b>4.389.623</b>	<b>71</b>	<b>4.226.313</b>	<b>72</b>	<b>104</b>
Commodities	623.948	10	639.312	11	98
Sevices and other revenue	38.788	1	25.495	-	152
<b>Total Pharmaceuticals</b>	<b>5.052.359</b>	<b>82</b>	<b>4.891.120</b>	<b>83</b>	<b>103</b>
<b>Total Chemistry</b>	<b>203.123</b>	<b>3</b>	<b>175.414</b>	<b>3</b>	<b>116</b>
<b>Total Cosmetics</b>	<b>659.158</b>	<b>11</b>	<b>620.652</b>	<b>11</b>	<b>106</b>
<b>Total Botanicals</b>	<b>245.516</b>	<b>4</b>	<b>185.125</b>	<b>3</b>	<b>133</b>
<b>Total:</b>	<b>6.160.156</b>	<b>100</b>	<b>5.872.311</b>	<b>100</b>	<b>105</b>

**Significant Income statement positions (continued)**
**Earning before interest, taxes, depreciation and amortization (EBITDA)**

	(In 000 MKD)				
	2016		2015		Ind
	Amount	% in Sales	Amount	% in Sales	16/15
Stand alone EBITDA	893.601	19	811.080	18	110
Consolidated EBITDA	920.084	15	841.212	14	109

**Net Income**

	(In 000 MKD)				
	2016		2015		Ind
	Amount	% in Sales	Amount	% in Sales	16/15
Stand alone Net Income	525.612	11	473.297	11	111
Consolidated Net Income	509.357	8	462.409	8	110