CONDENSED FINANCIAL STATEMENTS
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2016

IN ACCORDANCE WITH THE ACCOUNTING REGULATIONS
IN COMPLIANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (*IFRS*)

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To the shareholders of Ropharma SA,
Brasov, România

ROPHARMA SA & ROPHARMA LOGISTIC SA
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2016
(in Ron, unless otherwise specified)

	Note	12/31/2015	9/30/2016	Δ	Δ %
Assets					
Non-current assets					
Tangible assets		55.632.120	55.790.549	158.429	0%
Goodwill		9.702.730	9.080.500	(622.230)	-6%
Intangible assets		10.965.720	12.894.274	1.928.554	18%
Investments in associated companies		22.840.342	22.717.661	(122.681)	-1%
Real estate investments		8.912.936	10.273.145	1.360.209	15%
Deferred tax asset		523.839	521.387	(2.452)	0%
Financial assets		371.465	489.813	118.348	32%
Total non-current assets		**108.949.152**	**111.767.328**	**2.818.176**	**3%**
Current Assets					
Inventories	3	73.771.462	68.703.046	(5.068.417)	-7%
Trade and other receivables	4	90.659.127	95.175.412	4.516.285	5%
Prepaid expenses		653.196	926.332	273.136	42%
Cash and cash equivalents	5	8.738.298	19.677.676	10.939.377	125%
Total current assets		**173.822.084**	**184.482.465**	**10.660.381**	**6%**
Total Assets		**282.771.237**	**296.249.793**	**13.478.557**	**5%**
Equity and liabilities					
Equity					
Share capital		51.020.506	51.020.506	0	0%
Share capital adjustment		6.897.968	6.897.968	0	0%
Share premium		2.021.064	2.021.064	0	0%
Reserves		22.975.168	28.043.704	5.068.536	22%
Revaluation reserves		46.570.320	46.430.289	(140.031)	0%
Own shares		(102.900)	(102.900)	0	0%
Losses related to shares		(921.073)	(10.374)	910.699	-99%
Retained profit		8.102.354	4.973.112	(3.129.242)	-39%
Retained earnings		(9.318.844)	(7.039.757)	2.279.087	-24%
Total equity		**127.244.562**	**132.233.611**	**4.989.049**	**4%**
Long term liabilities					
Long term borrowings		1.724.748	3.599.728	1.874.979	109%
Finance lease		31.289	0	(31.289)	-100%
Total long term liabilities	6	**1.756.037**	**3.599.728**	**1.843.691**	**105%**
Current liabilities					
Current portion of long term borrowings		736.589	1.669.517	932.929	127%
Overdraft		13.696.681	40.693	(13.655.988)	-100%
Trade and other payables	7	136.217.784	156.533.070	20.315.286	15%
Other taxes and obligations regarding social securities		3.008.579	1.974.465	(1.034.114)	-34%
Provisions		55.096	55.096	0	0%
Income tax liabilities		(161.912)	47.367	209.279	-129%
Finance lease		217.822	96.245	(121.576)	-56%
Total current liabilities		**153.770.638**	**160.416.454**	**6.645.816**	**4%**
Total liabilities		**155.526.675**	**164.016.182**	**8.489.506**	**5%**
Total equity and liabilities		**282.771.237**	**296.249.793**	**13.478.555**	**5%**

	Note	9 m/2015	9 m/2016	Δ	Δ %
Operating income					
Net sales revenues	8	333.713.754	350.473.087	16.759.332	5%
Other income	9	2.018.493	2.805.561	787.067	39%
Total operating income		**335.732.248**	**353.278.647**	**17.546.400**	**5%**
Operating expenses					
Cost of sales		274.420.506	291.623.553	17.203.047	6%
Wages and salaries	10	29.121.119	31.486.569	2.365.450	8%
Advertising and publicity		561.521	505.835	(55.686)	-10%
(Gains) / losses on sale of non-current assets		(62.772)	52.066	114.838	-183%
External services		3.252.908	3.851.789	598.882	18%
Losses on current assets		90.804	854.310	763.506	841%
Adjustments to current assets		1.979.552	(777.330)	(2.756.882)	-139%
Depreciation		4.743.296	4.856.347	113.050	2%
Other operating expenses	11	14.208.816	14.472.039	263.224	2%
Total operating expenses		**328.315.749**	**346.925.179**	**18.609.430**	**6%**
Operating result		**7.416.499**	**6.353.469**	**(1.063.030)**	**-14%**
Financial income	12	3.457.816	722.774	(2.735.042)	-79%
Financial expenses	12	3.410.829	850.733	(2.560.095)	-75%
Net financial result	**12**	**46.987**	**(127.959)**	**(174.946)**	**-372%**
Profit/(loss) before tax		**7.463.486**	**6.225.510**	**(1.237.976)**	**-17%**
Income tax		1.748.723	1.299.784	(448.939)	-26%
Deferred tax		(291.029)	(47.387)	243.642	-84%
Net income/(loss) for the period		**6.005.792**	**4.973.112**	**(1.032.679)**	**-17%**

Authorized for issue and signed on behalf of the Board of Directors as at 15 November 2016 by:

Mihai Miron
General Manager

Alin Rădășanu
Finance Manager

	9 m/2015	9 m/2016	Δ	Δ %
I. LIQUIDITY RATIOS				
Current Ratio				
Current assets (A)	196.283.975	184.482.465	(11.801.510)	-6%
Current liabilities (B)	175.214.970	160.416.454	(14.798.516)	-8%
A/B	***1,1***	***1,2***		
Quick ratio				
Current assets (A)	196.283.975	184.482.465	(11.801.510)	-6%
Inventories (B)	63.358.190	68.703.046	5.344.856	8%
Current liabilities (C)	175.214.970	160.416.454	(14.798.516)	-8%
(A-B)/C	***0,8***	***0,7***		
II. PROFITABILITY RATIOS				
EBITDA				
EBIT (A)	7.416.499	6.353.469	(1.063.030)	-14%
Depreciation (B)	4.743.296	4.856.347	113.050	2%
A+B in Ron	***12.159.795***	***11.209.815***		
EBITDA				
EBITDA (A)	12.159.795	11.209.815	(949.980)	-8%
Operating income (B)	335.732.248	353.278.647	17.546.400	5%
A/B in %	***3,6%***	***3,2%***		
Gross Margin				
Gross Margin (A)	59.293.248	58.849.533	(443.715)	-1%
Net sales revenues (B)	333.713.754	350.473.087	16.759.332	5%
(A/B) * 100	***17,8%***	***16,8%***		
III. ACTIVITY RATIOS				
Non-current assets turnover				
Operating income (A)	335.732.248	353.278.647	17.546.400	5%
Non-current assets (B)	106.734.439	111.767.328	5.032.889	5%
(A/B) in number of times	**3,1**	**3,2**		
Days sales of inventories				
Average inventories (A)	61.714.329	71.237.254	9.522.925	15%
Cost of sales	274.420.506	291.623.553	17.203.047	6%
(A/B) in days	**61**	**67**		
Days Sales outstanding				
Average receivables (A)	113.088.889	92.917.270	(20.171.619)	-18%
Operating income (B)	335.732.248	353.278.647	17.546.400	5%
(A/B) in days	**92**	**72**		
IV. RISC RATIO				
Interest cover ratio				
EBIT (A)	7.416.499	6.353.469	(1.063.030)	-14%
Net interest (B)	369.211	446.974	77.763	21%
(A+B)/B in number of times	**21,1**	**15,2**		

3. INVENTORIES

	31 December 2015	30 September 2016	Δ	Δ %
Inventories in warehouses	73.442.442	68.414.092	(5.028.351)	-7%
Transit inventories	245.710	15.555	(230.154)	-94%
Prepayments	3	363.598	363.595	11728857%
Consumables	155.867	142.694	(13.174)	-8%
Inventory adjustment	(72.560)	(232.893)	(160.333)	221%
Total	**73.771.462**	**68.703.045**	**(5.068.417)**	**-7%**

4. TRADE AND OTHER RECEIVABLES

	31 December 2015	30 September 2016	Δ	Δ %
Trade receivables	87.079.647	91.757.227	4.677.580	5%
Checks and promissory notes	40.000	-	(40.000)	-100%
Invoices that will be issued	2.170.545	6.876.700	4.706.155	217%
Prepayments	322.079	998.230	676.151	210%
Other receivables	10.803.195	4.518.316	(6.284.879)	-58%
Trade receivables adjustment	(8.812.273)	(8.049.262)	763.011	-9%
Other receivables adjustment	(944.065)	(925.799)	18.266	-2%
Total	**90.659.128**	**95.175.412**	**4.516.285**	**5%**

5. CASH AND CASH EQUIVALENTS

	31 December 2015	30 September 2016	Δ	Δ %
Cash in banks	6.995.900	18.248.743	11.252.843	161%
Cash in hand	1.600.307	1.277.730	(322.577)	-20%
Cash equivalents	142.091	151.202	9.112	6%
Total cash and cash equivalents	**8.738.298**	**19.677.676**	**10.939.377**	**125%**

6. TRADE AND OTHER PAYABLES

	31 December 2015	30 September 2016	Δ	Δ %
Trade payables	126.178.500	132.461.957	6.283.457	5%
Promissory notes	2.934.195	18.953.785	16.019.590	546%
Suppliers for non-current assets	2.244.556	3.081.631	837.075	37%
Prepayments received	50.640	65.971	15.331	30%
Other liabilities	4.809.892	1.969.725	(2.840.167)	-59%
Total	**136.217.784**	**156.533.069**	**20.315.286**	**15%**

7. BORROWINGS

	31 December 2015	30 September 2016	Δ	Δ %
Long term borrowings				
Long term bank borrowings	1.724.748	3.599.728	1.874.979	109%
Finance lease liabilities	31.289	-	(31.289)	-100%
Total	**1.756.037**	**3.599.728**	**1.843.691**	**105%**
Short term borrowings				
Current portion of long term bank borrowings	736.589	1.669.517	932.929	127%
Short term borrowings	13.696.681	40.693	(13.655.988)	-100%
Finance lease liabilities	217.822	96.245	(121.576)	-56%
Total	**14.651.091**	**1.806.456**	**(12.844.635)**	**-88%**
Total borrowings	**16.407.128**	**5.406.184**	**(11.000.944)**	**-67%**

8. NET SALES REVENUES

	9 m/2015	9 m/2016	Δ	Δ %
Retail sales	226.823.458	241.610.418	14.786.960	7%
Distribution sales	110.548.771	109.204.659	(1.344.112)	-1%
Discounts granted	(3.658.475)	(341.990)	3.316.485	-91%
Total	**333.713.754**	**350.473.087**	**16.759.333**	**5%**

9. OTHER INCOME

	9 m/2015	9 m/2016	Δ	Δ %
Rental	1.133.155	1.280.533	147.378	13%
Services	603.892	1.056.517	452.625	75%
Other operating income	281.446	468.510	187.064	66%
Total other income	**2.018.493**	**2.805.561**	**787.068**	**39%**

10. WAGES AND SALARIES

	9 m/2015	9 m/2016	Δ	Δ %
Wages and salaries	22.584.321	24.413.408	1.829.087	8%
Luncheon vouchers	1.322.301	1.458.956	136.655	10%
Social security	5.214.497	5.614.205	399.708	8%
Total	**29.121.119**	**31.486.569**	**2.365.450**	**8%**

11. OTHER OPERATING EXPENSES

	9 m/2015	9 m/2016	Δ	Δ %
Consumables	2.983.699	2.807.737	(175.963)	-6%
Rental	5.110.630	5.583.523	472.894	9%
Maintenance	879.600	863.886	(15.714)	-2%
Utilities	1.466.211	1.378.522	(87.689)	-6%
Insurance	584.875	666.671	81.796	14%
Protocol	369.739	251.690	(118.048)	-32%
Travel and accommodation	391.834	475.717	83.884	21%
Postal and telecommunications	283.851	295.394	11.543	4%
Bank fees and commissions	156.278	145.878	(10.400)	-7%
Lawyer fees and related charges	409.356	390.130	(19.225)	-5%
Local taxes and other similar taxes	823.172	793.375	(29.797)	-4%
Other operating expenses	749.572	819.515	69.944	9%
Total	**14.208.816**	**14.472.039**	**263.224**	**2%**

12. FINANCIAL INCOME AND EXPENSES

	9 m/2015	9 m/2016	Δ	Δ %
Interest income	38.119	12.866	(25.253)	-66%
Foreign exchange gain	732.849	709.908	(22.941)	-3%
Financial investment income	2.686.848	-	(2.686.848)	
Total financial income	**3.457.816**	**722.774**	**(2.735.042)**	**-79%**
Interest expense	262.259	294.361	32.102	12%
Foreign exchange loss	437.197	403.759	(33.438)	-8%
Other expenses related to financing	106.952	152.613	45.661	43%
Financial investment expenditure	2.604.420	-	(2.604.420)	
Total financial expenses	**3.410.828**	**850.733**	**(2.560.095)**	**-75%**
Net financial result	**46.988**	**(127.959)**	**(174.947)**	**-372%**

We confirm that the condensed financial statements are unaudited.

Mihai Miron
General Manager

Alin Rădășanu
Finance Manager