



2014 ANNUAL REPORT







<u>Key Financial Indicators</u>	7
<u>Highlights 2014</u>	8
<u>Organizational Chart</u>	10
<u>Corporate Information</u>	12
<u>Supervisory Board</u>	14
<u>Management Board</u>	18
<u>PC Pharmaceuticals</u>	46
<u>PC Chemistry, Cosmetics and Botanicals</u>	78
<u>Finances and Shareholding</u>	86
<u>Consolidated Financial Report</u>	94
<u>Contacts / Subsidiaries</u>	142



KEY FINANCIAL INDICATORS

	(In 000 MKD)		
	Amount	Amount	Index
	2014	2013	14/13
Total Revenues	7,701,665	7,275,497	105.86
Sales	7,397,836	7,097,599	104.23
Gross Profit	3,561,153	3,424,586	103.99
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1,137,187	1,057,795	107.51
Operating Profit	775,624	715,510	108.40
Profit Before Tax	746,046	671,283	111.14
Net Profit	618,454	600,426	103.00
Total Assets	9,515,448	9,481,868	100.35
Equity	7,670,822	7,547,843	101.63
Net Cash Flow	70,372	223,339	31.51
Investments in Assets (PPE&IA)	477,179	461,610	103.37
Average Number of Employees	1,449	1,446	103.67
Sales per Employee	4,935	4,908	100.54
Current Ratio	2.79	2.61	106.90
Long-term Debt	0.7%	0.7%	89.17
ROE Return on Equity	8.06	7.95	101.38
EPS Basic Earnings per Share (In MKD)	436.60	422.30	103.39
DPS Dividend per Share (In MKD)	189.00	180.00	105.09
Total Number of Shares	1,431,353	1,431,353	100.00
1 EUR/1 MKD (Average)	61.6228	61.5834	100.06

FINANCIAL HIGHLIGHTS

	(In 000 EUR)		
	Amount	Amount	Index
	2014	2013	14/13
Total Revenues	124,981	118,141	105.79
Sales	120,050	115,252	104.16
EBITDA	18,454	17,177	107.44
EBIT Earning Before Interest and Taxes	12,587	11,619	108.33
Net Profit	10,036	9,750	102.94
EPS Earnings per Share	7.09	6.86	103.32

HIGHLIGHT

“Trajche Mukaetov” Foundation granted 40 new scholarships for the academic year 2014/2015 to undergraduate students of the Faculties of Medicine and Pharmacy at “Sts Cyril and Methodius University” in Skopje

Alkaloid organized the fourth humanitarian picnic. The funds raised under the auspices of the Foundation “Trajche Mukaetov” were donated to the Pediatric Clinic at the Clinical Centre “Mother Theresa” in Skopje

Alkaloid was awarded with the 5th “Crystal Bell” by the Macedonian Stock Exchange

Alkaloid registered a new company in Ljubljana, Slovenia: “ALKA-LAB” an investment worth EUR 600.000

HITS 2014

The CEO/MB President of Alkaloid took part of the fourth Summit 100 Business Leaders: “A New Deal for a New Age”, at the panel entitled: “Smart Cities for Sustainable Growth: Turning the Region’s Capitals into Smarter Innovation Hubs”

Alkaloid was granted the “Jubilee Plaque” by the Red Cross of Republic of Macedonia, for the unconditional support of its social programs

PC Pharmaceuticals successfully passed the GMP-inspection from Kazakhstan

Alkaloid was granted a “Golden Plaque” by the Macedonian Medical Association for its outstanding long-term cooperation with this organization

SHAREHOLDERS ASSEMBLY

SUPERVISORY BOARD

**INTERNAL AUDIT
DEPARTMENT**

MANAGEMENT BOARD

CHIEF EXECUTIVE OFFICER

CORPORATE SERVICES

Finances

Shareholding,
Property Issues

Legal and
Personnel Affairs
Human Resources

Business Planing
Controlling and
Reporting

LOGISTICS

**DOMESTIC DAUGHTER COMPANIES
AND SUBSIDIARIES ABROAD**

PC PHARMACEUTICALS

**Sales
Pharmaceuticals**

**Alkaloid CONS
South Eastern Europe**

**European
Union**

RUS, CIS

**Pharmaceutical
Corporate Development**

OTC Food Supplements, Medical Devices in-house projects

Rx Division in-house projects

Business Development

PC CHEMISTRY, COSMETICS, BOTANICALS

**Production Division Chemistry
Cosmetics, Botanicals**

**Commercial Department
Chemistry, Cosmetics, Botanicals**

2014

ORGANIZATIONAL CHART ALKALOID GROUP

CORPORATE SERVICES

Information Technology
and
Telecommunications

Marketing
Communications

General
Affairs

Quality
Assurance

Maintenance

PC PHARMACEUTICALS

Research
and Development

Global Regulatory and Medical Affairs,
Drug Safety, Intellectual Property

Quality
control

Production of
Pharmaceuticals

Ampoules, Liquids, Semisolid Dosage Forms

Packaging

Pharmaceutical Ingredients

Solid Dosage Forms

Cephalosporines

PC CHEMISTRY, COSMETICS, BOTANICALS

R&D Department
Chemicals, Cosmetics, Botanicals

Quality Control
Chemistry, Cosmetics, Botanicals



REPORT ON THE WORK OF THE SUPERVISORY BOARD OF ALKALOID AD SKOPJE

In 2014, the Supervisory Board of Alkaloid AD Skopje operated as follows:



Prof. D-r Miodrag Micajkov

President of the Supervisory Board,
Ph.D. in Law
Professor and former Dean of the Faculty of Law "Justinian I" at "Sts. Cyril and Methodius University" in Skopje. President of the Board since 1998.



Prof. D-r Ilija Dzhonov

Member of the Supervisory Board,
MD, Dr. Sci. med.
Professor and former Dean of the Faculty of Medicine at "Sts. Cyril and Methodius University" in Skopje. Member of the Board since 1998.



Bojancho Krlevski

Member of the Supervisory Board,
B.Sc. in Chemical Engineering.
Employed at Alkaloid AD Skopje. Member of the Board since 1998.

CORPORATE INFORMATION

In accordance with the Law on Trade Companies and the Statute of ALKALOID AD Skopje, the Supervisory Board is authorized to supervise the management of the Company performed by the Management Board as well as to analyze and assess the papers and the documents of the Company. The authorizations of the Supervisory Board are set forth in the Law on Trade Companies and the Statute of Alkaloid AD Skopje.

In the course of year 2014, the Supervisory Board held 8 (eight) sessions and passed 20 (twenty) Decisions.

During its formal sessions, the Supervisory Board reviewed and discussed all important issues that fell within the scope of its competences, including the unaudited standalone financial reports and unaudited consolidated financial reports for year 2014, as well as those for the period 1 January to 31 March 2014; 1 January to 30 June 2014; 1 January to 30 September 2014 in all structures: Balance sheet of the Company, Income statement, Cash flow, Trade receivables and Borrowings.

On the formal sessions, upon invitation sent by the Supervisory Board, the Chief Executive Officer and President of the Management Board attended, along with other competent management representatives in order to elaborate all positions from the submitted unaudited standalone financial statements and unaudited consolidated financial statements thus enabling the Supervisory board to take its decisions accordingly.

Thereafter, upon the rendered assessment and elaborations given by the CEO and MB President of Alkaloid AD Skopje and the management representatives from the respective expert services, the Supervisory Board asserted to approve the unaudited standalone financial statements and unaudited consolidated financial statements as well as the unaudited unconsolidated and unaudited consolidated Balance sheet of the Company for year 2014.

The Supervisory Board carried out a regular assessment of the management of the Company i.e. the work of the Management Board and reviewed the Annual Report on the operations of the company for the period from January to December 2014. The Supervisory Board thus assessed that the operations of the Company and its management were carried out successfully in the course of the fiscal year 2014, as indicated in the presented positive financial results of the Company. The Supervisory Board positively assessed the cooperation with the President and the Members of the Management Board whose sole purpose was to build mutual attitudes aimed at realization of the set plans for successful development of the Company for 2014.

The Supervisory Board reviewed the documents of the Company regarding its financial operation and status of assets and securities pertaining to the year 2014, and upon inspection, asserted that the Company results in this respect are also positive and in compliance with the existing legislation.



In accordance with Article 415-v of the Law on Additions and Amendments to the Law on Trade Companies, the Supervisory Board reviewed the semi-annual report of the Internal Audit Department containing the activities of this independent organizational unit in the course of the period from January to June 2014. The Supervisory Board asserted the referenced semi-annual report thus assessing that the same is adequate, efficiently compiled and elaborated in accordance with the Law on Additions and Amendments to the Law on Trade Companies.

Pursuant to the annual plan for internal audit for year 2014 of the Internal Audit Department, the Supervisory Board reviewed and adopted the Quarterly reports for the period January-March, January-June, January-September and October-December 2014.

In accordance with Article 415-b of the Law on Additions and Amendments to the Law on Trade Companies, the Supervisory Board reviewed and passed a decision for approval of the annual report of the Internal Audit Department for the year 2015.

In accordance with Article 415-v of the Law on Additions and Amendments to the Law on Trade Companies, the Supervisory Board passed a decision for approval of the annual report of the Internal Audit Department for the period January-December 2014 upon rendered review. The annual report of the Internal Audit Department encompassed the following:

- Description of performed activities
- Findings/Recommendations of rendered individual audits
- Consulting activities
- Information on the Internal Audit Department

The Supervisory Board assessed this report as sustainable, of high quality and objective, giving overall presentation of the rendered audits thus approved the aforementioned report and enclosed it to the Shareholders' Assembly.

Pursuant to Article 480, Section 2 of the Law on Trade Companies, the Supervisory Board reviewed the Statutory Standalone Financial Reports, Statutory Consolidated Financial Reports for the year ended 31 December 2014 and the Independent Auditors' Report along with the opinions issued by the independent auditor Deloitte LTD Skopje.

The audit was performed in accordance with the International Auditing Standards and the Law on Audits in the Republic of Macedonia. According to the opinion of the independent auditor, the financial reports of Alkaloid AD Skopje for the year ended 31 December 2014 are prepared in all material aspects, in accordance with the valid accounting regulations in the Republic of Macedonia.

CORPORATE INFORMATION

The Supervisory Board reviewed the records and documentation of the Company which were related to its financial operations, and consequently asserted that in this area the Company performed its operations successfully and in full compliance with the existing legal regulations.

Following the review of the Statutory Standalone Financial Reports, Statutory Consolidated Financial Reports, the Independent Auditors' Report issued by the independent auditor Deloitte, the Proposal Annual Statement of Accounts of the Company, Annual Performance Report for the period January – December 2014 and the Decision-proposal for allocation and distribution of the profit according to the annual statement of accounts of the Company for 2014, the Supervisory Board proposed to the Shareholders' Assembly to pass a decision for approval of the following:

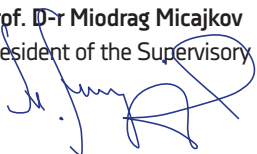
- Statutory Standalone Financial Reports, Statutory Consolidated Financial Reports and the Independent Auditors' Report issued by the independent auditor Deloitte for the year ended as at 31 December 2014;
- Annual Statement of Accounts (Balance Sheet) of the Company for year 2014;
- Annual Performance Report for the period January – December 2014;
- Decision-proposal for allocation and distribution of the profit according to the annual statement of accounts of the Company for year 2014.

The Supervisory Board also reviewed other proposals submitted by the Management Board of the Company such as: Decision-proposal for determining dates for payment of dividends for year 2014 (dividend calendar); Decision-proposal for acquisition of proper shares with buyout and Decision-proposal for selling proper shares.

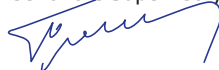
After reviewing the decision-proposals, the Supervisory Board proposed to the Shareholders' Assembly of Alkaloid AD Skopje to pass decision for approval of the above referenced.

All operations of the Supervisory Board in the course of the year 2014 were in the frame of the competences set forth in the Law of Trade Companies and the Statute of Alkaloid AD Skopje.

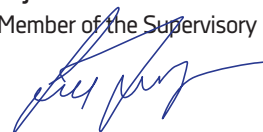
Prof. D-r Miodrag Micajkov
President of the Supervisory Board



Prof. D-r Ilija Dzhonov
Member of the Supervisory Board



Bojancho Krlevski
Member of the Supervisory Board



REPORT ON THE WORK OF THE MANAGEMENT BOARD OF ALKALOID AD SKOPJE



Zhivko Mukaetov

**President of the Management Board and
Chief Executive Officer of Alkaloid AD Skopje**

Holds a B.Sc. degree in Mechanical Engineering and a postgraduate degree from the Chartered Institute of Marketing in London, UK. Member of the Management Board since 2004; appointed for President of the Management Board in 2007. He has 21 years of professional experience, and is responsible for the overall operations of Alkaloid Group.



Milkica Gligorova

**Member of the Management Board,
Director of the Production segment of PC Pharmaceuticals of
Alkaloid AD Skopje**

Holds a B. Sc. Degree in Pharmacy, Specialist in Pharmaceutical Technology. Member of the Board since 2004. She has 31 years of professional experience and is responsible for the overall production operations in PC Pharmaceuticals.

CORPORATE INFORMATION

Viktor Stojchevski

**Member of the Management Board
and Chief Financial Officer of the Company**

Holds a B. Sc. Degree in Economics. Member of the Board since January 2013. He has 13 years of professional experience and is responsible for the financial operations of the Company.



Gjorgi Jovanov

**Member of the Management Board
and Director of Shareholding Operations
and Propriety Issues of the Company**

Holds a B.Sc. degree in Economics. Member of the Board since 2006. He has 26 years of professional experience and is responsible for the operations in the shareholding and property segment.



Kire Icev

**Member of the Management Board, Director of the General
Services Department of Alkaloid AD Skopje**

B. Sc. in Mechanical Engineering.
Member of the Board since 2007.
He has 14 years of professional experience
and is responsible for the overall operations
of the general services department.





The Management Board has ample authorizations in the management of the Company, i.e. the implementation of the ongoing activities of the Company. It acts on behalf of the Company and within the scope of the subject matter at hand.

In compliance with the Law on Trade Companies and the Statute of the Company, the Management Board submits a Report on its operations given hereinbelow presenting the operations of the Management Board in the course of the year 2014.

Within the reporting period, the Management Board performed its activities within the framework of its competences and in compliance with the valid legislation in the Republic of Macedonia and the Statute of the Company; passing decisions concerning the business policy and managing the overall operations of the Company.

The Management Board held its sessions on regular basis and in the course of 2014; 30 sessions were held on which 142 important decisions/conclusions were passed.

The Management Board of the Company passed a Decision for making an inventory listings and establishment of commissions for making inventory listings of the fixed assets and the sources of assets, as well as adopting the compiled report on inventory listings of Alkaloid AD Skopje.

The Management Board compiled the Annual Statement of Accounts and the Draft Annual Report on the operations of the Company (Standalone and Consolidated).

The Management Board of the Company in the course of its regular monthly sessions assessed and approved the Balance Sheets of the subsidiaries founded by Alkaloid AD Skopje for the year 2014; Balance Sheets of Alkaloid AD Skopje per cost centers and the Report on the Operations of Alkaloid CONS Ltd Skopje.

Upon MB President's invitation, the sessions were attended by executives from the Finance Department and Alkaloid CONS.

The Management Board passed decisions/conclusion concerning specific tasks for the managers of the profit centers of Alkaloid AD Skopje and the manager of Alkaloid Cons Ltd. Skopje directed towards maximum engagement and fulfillment of the set objectives, intensification of settlement of outstanding debts, control of stocks as well as reduction of costs.

Pursuant to the Law on Trade Companies, the Management Board reviewed and discussed the unaudited standalone unconsolidated and unaudited consolidated Financial Reports for year 2014, as well as those pertaining to the period 1 January to 31 March 2014; 1 January to 30 June 2014, 1 January to 30 September 2014 thus assessed that the Company effectuated positive financial results.

Pursuant to the Law on Trade Companies and the Statute of Alkaloid AD Skopje, the Management Board, within the frames of its competences passed decision-proposals in accordance with the proposed agenda for the Annual Shareholders' Assembly

In accordance with Article 415-v of the Law on Additions and Amendments to the Law on Trade Companies, the Management Board received the Annual Reports of operations for the year 2014 from the Internal Audit Department of Alkaloid AD, an independent organizational unit in the company, containing the following information:

- Description of rendered activities;
- Findings/Recommendations for rendered individual revisions;
- Consulting activities;
- Information on the Internal Audit Department.

CORPORATE INFORMATION

The Management Board thus passed a decision for approval of the work for year 2014 of the independent organizational unit, the Internal Audit Department.

The Management Board passed two decisions for founding new companies, with 100% ownership of ALKALOID AD Skopje as follows:

- Decision for founding a company in Ljubljana, Slovenia: "ALKA-LAB LLC" with main activities in research and development
- Decision for establishment of a trading company under the name: Botanical Pharmacy – Company for Trading and Services with Healthy Food, Export-Import LTD Skopje.

In reference with the operations connected with the subsidiaries abroad, founded by Alkaloid AD Skopje, in the course of year 2014, the Management Board passed several important decisions those being:

- Decisions to increase the equity in the subsidiaries: "ALKALOID USA Ltd" in Ohio, USA and "ALKALOID-INT DOO" Ljubljana, Slovenia;
- Decisions for personnel changes and election of new directors in ALKALOID's subsidiaries in Moscow, the Russian Federation and in Tirana, Albania;
- Decisions to extend the terms of office of the directors of the subsidiaries abroad, founded by ALKALOID AD Skopje in: "ALKALOID-INT" Ljubljana, Slovenia, "EOOD ALKALOID" Sofia, Bulgaria; "ALKALOID PHARM", Fribourg, Switzerland; Alkaloid's subsidiary in Kiev, Ukraine and Alkaloid's subsidiary "ALKALOID, Ilac Ticaret Ltd. Sirketi" in Istanbul, Turkey.

The Management Board took a decision to sign the Collective Agreement of ALKALOID AD Skopje with the Trade Union Organization of the Company, which incorporates the amendments of the Law on Labour, the General Collective Agreement for Private Economic Sector and the Collective Agreement for Chemical Industry.

The Management Board approved the concept for the Business Plan of the Company for year 2015 and specified guidelines for its implementation. The Management Board assessed that the Business Plan is based on realistic expectations, projections and capacities of the existing and new markets and products, risk management policy and energy efficiency increase of proper resources.

The Management Board passed Decisions for approval of the financial report of the Foundation "Trajche Mukaetov" - Skopje for year 2014 and approved the work program of this Foundation for the year 2015.

The Management Board of Alkaloid AD Skopje, in the capacity of the Assembly of Cofounders of Alkaloid CONS LTD Skopje, held 12 meetings and passed 25 Decisions regarding the operations of this business segment among which:

- Decision on increasing the equity of Alkaloid CONS DOOEL Skopje;
- Decisions on performing inventory listing and establishing commissions for inventory listing of fixed assets and approving the report on performed inventory listing;
- Decisions on adopting the annual report and the financial statements of Alkaloid CONS LTD Skopje.

The work of the Management Board in the course of the year 2014 was within the frame of the competences determined by the Law on Trade Companies and the Statute of Alkaloid AD Skopje.

Zhivko Mukaetov
Chief Executive Officer
Management Board President





ADDRESS OF THE CEO/MB PRESIDENT OF ALKALOID AD SKOPJE

2014 global economic flows were marked by World Bank's unenthusiastic forecasts and fell under the veil of the geo-political occurrences. Ukraine conflict, Russian economic sanctions, depreciation of the Russian ruble, continual pressure of the generic pharmaceutical producers for reduction of the drugs prices were some of the economic trends that directly reflected the operations of Alkaloid.

RESULTS

Despite all objective and subjective challenges, the company managed, to generate positive financial results in its operations employing extraordinary efforts and precautions in everyday operations.

We achieved total consolidated sales of MKD 7.397.836.000, which represents a growth of 4%, thus surpassing the sum of EUR 120 mil. in our placements. Our consolidated net profit amounted to MKD 618.454.000 noting 3% growth compared to 2013.

85% of our total (consolidated) sales were in the segment of Pharmaceuticals, 15% in Chemicals, cosmetics and Botanicals.

Highest percentile growth was marked on the markets of Romania (97%), Albania (61%), Czech Republic (57%), USA (15%), Serbia (12%), Bulgaria (10%) and Russia (9%) and the first placements in Spain and Slovakia were effectuated amounting to more than half a million euros.

STOCK EXCHANGE OPERATIONS

According to the records of the Macedonian Stock Exchange, the shares of Alkaloid in the course of 2014 were amongst the most traded and most liquid ones.

Alkaloid AD Skopje, as one of the leading companies on the Macedonian Stock Exchange, in the regular stock exchange operations participated with 19.29% of the total turnover recorded on the first official market of the Stock Exchange in 2014.

The share price of Alkaloid AD Skopje ranged from MKD 4.300 to MKD 5.210, with an average of MKD 4.549,20, which represents a growth of 4.96% of the average price of the share compared to 2013.

For the fifth time, Alkaloid AD Skopje was granted the Crystal Bell award for being the most transparently quoted company on the Macedonian Stock Exchange for 2014.

INVESTMENTS

Overall investments of the Company in 2014, amounted to MKD 477.179.000. I would hereby emphasize a few:

- The new chemical laboratory in Ljubljana, Slovenia; a project worth around EUR 600.000 aimed to strengthen our positions in the EU markets;
- Our ongoing project: the Quality Centre should enable significant capacity improvement in the functioning of this segment of the Company;

CORPORATE INFORMATION



- We installed a new FETTE tableting machine in PC Pharmaceuticals as well as a new filming machine and new blister line IMA C80/A81 for ALU-ALU packaging of moist sensitive pharmaceutical products in nitrate atmosphere;
- In the PC Botanicals, we commissioned a new QUADROPACK machine for vertical filling of products.

Based on previously implemented projects and invested efforts, in 2014 the Company was granted several internationally recognized certificates.

Investments in cutting-edge pharma equipment, new projects and human resources as well as information technology will remain among our top priorities.



CORPORATE SOCIAL RESPONSIBILITY

Socially responsible activities, as one of the company's main features and top priority in the operative agenda, continued with strong intensity in the course of 2014.

For the fourth time, the employees of the company, under the auspices of the Foundation "Trajche Mukaetov" joined together in the charity event to raise MKD 730.000 intended for equipping the Pediatric Clinic at the Clinical Centre "Mother Theresa" in Skopje.

Seventh year in a row, the Foundation "Trajche Mukaetov" grants scholarships to talented students of medicine and pharmacy at the state university "Sts. Cyril and Methodius". Out of 304 recipients of scholarships (159 students of pharmacy and 145 students of medicine), 123 are active scholarship holders and 24 of these graduated students already started their careers at Alkaloid.

In the course of 2014, Alkaloid continued the synergic actions with the Red Cross of the Republic of Macedonia in the part with the blood donation center, the center for homeless and socially marginalized citizens and through this organization, Alkaloid donated for the households affected by the floods in Macedonia, Serbia, Bosnia and Herzegovina and Croatia.

For the intensive cooperation with this global humanitarian organization, on the occasion of marking 70th anniversary from its establishment in the Republic of Macedonia, Alkaloid was granted a Jubilee Plaque.

I would also mention another important acknowledgment I received in Paris, France: "SEE Personality 2014" granted for extraordinary achievements in the region of Southeastern Europe in the sphere of economy, corporate social responsibility, contributions in the sphere of culture, sports and public life in general.

I must emphasize that such high and significant acknowledgements are pride for me personally and the Company I run for 9 years. These are our inspiration for greater achievements in the field of humanity, human solidarity and mutual understanding. These are also the main features of our organizational system, which represents significant segment of the Macedonian economy and which functions in the sign of positive business and human values and as such, I believe will resist all turbulences that we may face in the year ahead.

PROSPECTS

2015 represents another great challenge for us and responsibility that all management bodies and the overall personnel of this Company should bear. The credibility, integrity and professional approach in all ventures will remain principal guidelines in our further growth and development, all for the benefit of our stakeholders, shareholders, consumers and employees.

On the threshold of our 80th anniversary, we would like to step in with exceptional results to which we shall all be proud.

Zhivko Mukaetov

CEO/MB President





40 NEW SCHOLARSHIPS FOR THE ACADEMIC YEAR 2014/2015 GRANTED “TRAJCHE MUKAETOV” FOUNDATION

“Trajche Mukaetov” Foundation granted 40 new scholarships for the academic year 2014/2015, to 20 students from the Faculty of Pharmacy and 20 students from the Faculty of Medicine at the University “Sts Cyril and Methodius” from Skopje. The scholarship in the amount of 6,500 denars is granted for a period of 12 months.

Pursuant to the announced public call for submitting scholarship applications, the selection of scholarship holders for the current academic year was made by the Management Board of the Foundation, as per the preliminary list proposed by the respective committees for granting scholarships. The Board for granting scholarships is composed of representatives of the Foundation, the two faculties, as well as of representatives of the students.

“I would like to emphasise that it is a great honour for all the MB members of the Foundation and the respective committees, to be able to help in some way talented and ambitious students. The trend of providing employment at ‘Alkaloid AD Skopje’ to successful students after their graduation will, in no doubt, continue in future,” underlined the President of the Foundation and CEO/MB President of Alkaloid AD Skopje, Mr. Zhivko Mukaetov.

According to the programme policies for support of young and ambitious professionals who have dedicated their careers to the Macedonian healthcare and pharmacy sector, as of the academic year 2009/2010, “Trajche Mukaetov” Foundation also grants one-off premiums to the valedictorians from the Faculty of Medicine and the Faculty of Pharmacy at “Sts Cyril and Methodius University”, in the amount of EUR 1,200 paid in Macedonian denars counter-value. This premium was granted to Ms. Bisera Stepanovska from the Faculty of Pharmacy (with GPA of 9.98) and Mr. Aleksandar Jovanovski from the Faculty of Medicine (with GPA of 9.93). Bisera Stepanovska was former scholarship holder of the Foundation, who started her career at “Alkaloid AD Skopje” in November 2014.

Starting from the academic year 2007/2008, the Foundation granted 304 scholarships to students of pharmacy and medicine, including the new 40 scholarships of the academic year 2014/2015. Out of the total number of scholarship holders, 103 students of pharmacy and 72 students of medicine have already graduated. As of 2009, 24 holders of scholarships granted by the Foundation have started their careers at Alkaloid AD Skopje in the departments of the profit center Pharmaceuticals.

CORPORATE INFORMATION



Management
Board of the
Foundation
"Trajche
Mukaetov"



From left to right: Ph.D Svetlana Kulevanova, Dean of the Faculty of Pharmacy at UKIM, Zhivko Mukaetov, President of "Trajche Mukaetov" Foundation and CEO/MB President of Alkaloid AD Skopje, Bisera Stepanovska, valedictorian of the Faculty of the Pharmacy and Ph.D Nikola Jankulovski Dean of the Faculty of Medicine at UKIM



FOURTH HUMANITARIAN PICNIC: BENEFIT OF SHARED HUMANITY

The concept of social responsibility is an integral part of the business strategies of Alkaloid and is incorporated in all segments of its operations. This policy of the Company has once again been confirmed with the fourth humanitarian picnic organized by “Alkaloid AD Skopje” under the auspices of the Foundation “Trajche Mukaetov”, attended by the employees of the company, the members of their family and/or their friends.

The employees donated total of MKD 725.000 (approx. EUR 12.000), funds intended for equipping the Pediatric Clinic at the Clinical Center “Mother Theresa” in Skopje.

The CEO/MB President of Alkaloid AD Skopje and MB President of the Foundation, Mr. Zhivko Mukaetov, emphasized that the company and the Foundation will continue their humanitarian mission aimed at promoting positive social values and justifying the company motto: Health Above All.

The director of the Pediatric Clinic, Prof. Dr. Aspazija Sofijanova expressed her gratitude for the cooperation and the commitments of the company and its employees.

The first charity picnic was held in 2011 on the occasion of the 70th jubilee of Alkaloid AD Skopje, when the donation amounted to MKD 425.500 (approx. EUR 7.000). In 2012 this event collected MKD 572.300 (approx. EUR 9.300) and in 2013 the employees gathered MKD 600.000 (approx. EUR 9.810).

CORPORATE INFORMATION





US AMBASSADOR BAILY VISITED ALKALOID

A delegation of the US Embassy in the Republic of Macedonia, headed by H.E. Ambassador Jess L. Baily, paid an official business visit to Alkaloid AD Skopje.

The aim of this working visit by this high diplomatic representatives was to become acquainted with the operations of Alkaloid, which has its daughter company in the USA, as well as long-standing close and successful business cooperation with several American companies.

In the beginning of 2006 Alkaloid AD Skopje established its Alkaloid USA subsidiary in New Albany, Ohio. This business move was preceded by the successful business and technical cooperation with renowned companies in the USA, such as Pfizer from New York and Merck Sharp & Dohme (MSD), which date back to 1956. In its portfolio, Alkaloid AD Skopje has currently several drugs that are produced under license from wellknown American pharmaceutical companies, as well as marketing authorizations to represent American pharmaceutical products in the Republic of Macedonia.

Of all ventures in the USA, Alkaloid is particularly proud of patenting the manufacturing technology for the Novamorf® product in 2003, as well as the intense cooperation with the established "AVEDA", member of the "Estée Lauder Group", referring to the production of organic teas, which was established 2005 and has been functioning successfully ever since. In the herbal products segment, in 2011 Alkaloid traced a successful cooperation with two other US companies, "Arbon International" and "Swanson Healthcare", specialized in the production and distribution of teas and natural medical products.

His Excellency offered words of praise for the operations of the company and its success on the domestic and the foreign markets. The fact that, to his knowledge, Alkaloid is the only Macedonian investor in the USA is particularly encouraging. Having visited the production facilities of the company and the segments for research and quality control of the products, the Ambassador was impressed with the operations, emphasizing that he finally understood why the production of high-quality pharmaceutical products is such an expensive and arduous process. Ambassador Baily wished Alkaloid further growth and success on the pharmaceutical markets.

Alkaloid has been a member of the American Chamber of Commerce in Macedonia from 2000.

CORPORATE INFORMATION



H.E. Ambassador Jess L. Baily, Mr. Zhivko Mukaetov and employees of the company during the tour of Alkaloid facilities

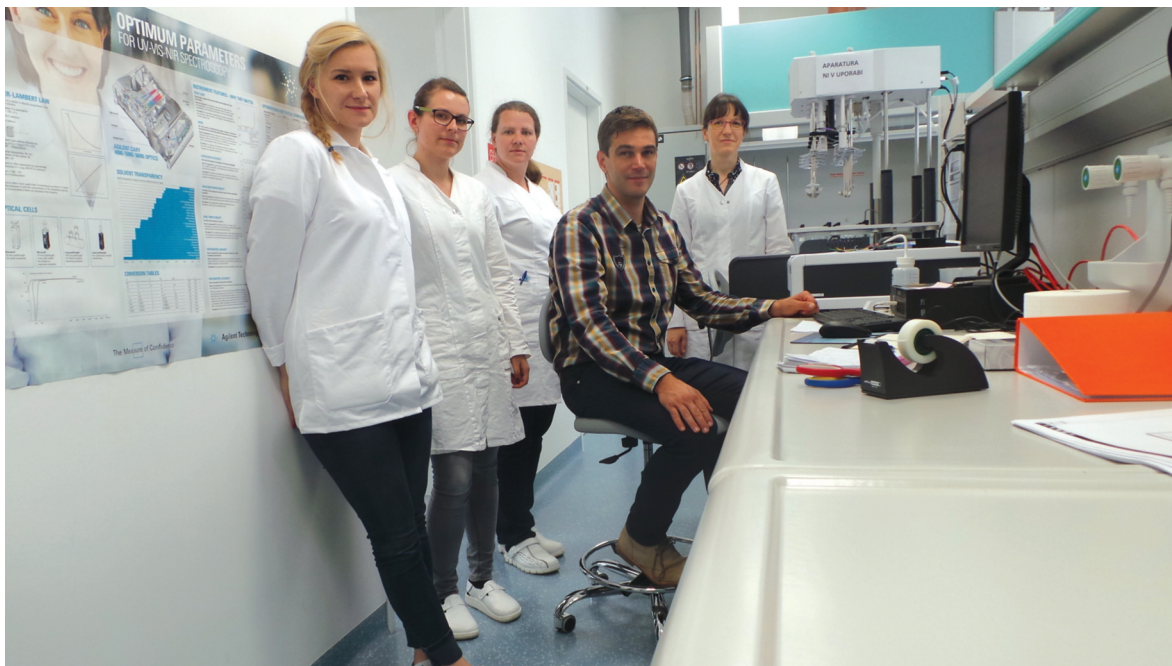


ALKALOID CONTINUES ITS INVESTMENTS IN THE EUROPEAN UNION

Alkaloid registered a new company in Ljubljana, Slovenia named “ALKA – Lab”, an investment worth around EUR 600.000. The newly formed company, which is in complete ownership of Alkaloid AD Skopje, started its operations after obtaining a GMP certificate on behalf of the Slovenian Agency of Medical Products and Medical Appliances (JAZMP). Its area of 140m² primarily consists of two laboratories furnished with cutting-edge equipment and exceptional working conditions. “ALKA – Lab” laboratory performs chemical and physical tests on the products intended for the markets in the European Union.

This investment was yet another confirmation of Alkaloid's endeavors for strengthening the export positions of the company, which is one of the main strategic commitments.

CORPORATE INFORMATION



“JUBILEE PLAQUE” FROM THE NATIONAL RED CROSS

The “Red Cross” of the Republic of Macedonia presented the prestigious national recognition, the “Jubilee Plaque” to Alkaloid AD Skopje, for its unconditional support of the social programs that aid the most vulnerable category of citizens and the enormous contribution of the Company in the humanitarian projects initiated by the “Red Cross”.

The official ceremony of the 70th Jubilee of the Macedonian “Red Cross and Red Crescent” was held in the Macedonian National Theatre, under the slogan “Walking together”.

The jubilee was marked with lots of events and activities, supported by the volunteers of the national “Red Cross and Red Crescent”.



The “Jubilee Plaque” granted by “Red Cross” to Alkaloid

MACEDONIAN CIVIL ENGINEERING INSTITUTE WITH ACKNOWLEDGEMENT FOR ALKALOID

On the occasion of the celebration of the 40th anniversary from the establishment of the “Civil Engineering Institute Macedonia”, Alkaloid AD Skopje received an acknowledgement in recognition of its continuous and successful cooperation with this institution. This acknowledgement was granted to Alkaloid for its significant contributions to the Macedonian construction industry.

Some of the projects that Alkaloid implemented in cooperation with the “Civil Engineering Institute Macedonia”, are the Institute for Development and Quality Control (commissioned in 2009), the High-rack Warehouse (2014) and the Quality Control Center (an investment project of the company that is in progress).



The acknowledgement granted by Macedonian Civil Engineering Institute to Alkaloid

ALKALOID AWARDED BY THE MACEDONIAN MEDICAL ASSOCIATION

On a solemn ceremony held to honor the marking of 70 years from the establishment of the “Macedonian Medical Association”, Alkaloid AD Skopje was granted a “Golden Plaque” for its enormous support of the goals and objectives of this association and the Macedonian healthcare system in general.

Special acknowledgments were also granted to outstanding Macedonian doctors and healthcare professionals well known in the country and abroad. The jubilee celebration was attended by numerous medical professionals from the Republic of Macedonia and high representatives of the Macedonian Government.



Mr. Vladimir Indov, Head of Sales Pharmaceuticals Alkaloid CONS/SEE, receives the “Golden Plaque” from Mr. Goran Dimitrov, President of the Macedonian Medical Society

ALKALOID CHAIRED THE ROUNDTABLE ON MACEDONIAN EXPORT PROMOTION

The CEO/MB President of Alkaloid, Mr. Zhivko Mukaetov and the CEO of "HerbalScience Inc." and "Alkaloid USA", Mrs. Vera Stavroff moderated the roundtable entitled "Export Promotion and Trade Partnership Opportunities" initiated by the Skopje branch of the organization "Macedonia 2025" attended by representatives of the food processing and confectionary industry, as well as representatives from the wine industry.



Stavroff and Mukaetov shared the successful business model of Alkaloid and the outstanding cooperation of the company with "Aveda", "Swanson Healthcare Products", "Arbonne International" and others. They emphasized that the decades of cooperation with these outstanding American companies are based on the exceptional quality of the products that Alkaloid offers, the technical knowledge of the company and the champion attitude that they have been nurturing, highlighting the Good Nature brand which is now sold all over the world.



From left to right: Mrs. Vera Stavroff, CEO of "Herbal Science Inc." and "Alkaloid USA" and Mr. Zhivko Mukaetov, CEO/MB President of "Alkaloid"

This roundtable event was announced at the "Macedonia 2025" Forum held in Toronto, Canada attended by prominent business executives from Canada and USA, who debated the possibilities for intensification of the export activities and exchange of experience with the Macedonian companies.

"Macedonia 2025" is a think-tank organization formed in the United States in 2007 by prominent representatives of the Macedonian diaspora such as Mike Zafirovski, the late John Bitove Sr., Andy Peykoff and many others whose vision is to contribute to the prosperity and economic development of the Republic of Macedonia.



MUKAETOV PARTICIPATED AT THE FOURTH “SUMMIT 100” OF SEE BUSINESS LEADERS

The fourth Summit of 100 business leaders of Southeastern Europe was held in Portorose, Slovenia. Its goal was to demonstrate the readiness and willingness of the governments and business elites to take their share of responsibility in creating a joint platform for strengthening the competitiveness of the national economies.

During the Summit, the CEO/MB President of Alkaloid, Zhivko Mukaetov and Ivica Mudrinikj, executive in “Deutsche Telekom”, moderated the Mayors panel entitled “Smart Cities for Sustainable Growth: Turning the Region’s Capitals into Smarter Innovation Hubs”. At this panel, the mayors of four regional capitals (Ljubljana, Zagreb, Podgorica and Sarajevo) shared their experiences, presenting the implemented as well as the ongoing projects and their efforts to increase the sustainable growth in capitals they govern. Michael Dickson, General Manager for “IBM Global Smarter Cities” business also took part in this panel.

“As a member of management boards of several established economic institutions in Macedonia and abroad and also as a CEO of Alkaloid, a company whose products are present in the markets of more than 30 countries worldwide, I am confident that these types of events are extremely significant for promoting regional cooperation and development of business operations. Summit 100 is an excellent opportunity for connection and ground for common actions of the countries and the companies in the Southeastern European region. Companies need joint actions in order to approach new markets in an easier and more successful way. Summit 100 is a great initiative for accomplishing those goals and also a solid platform for structuring development programs which would bring the region a step closer to building a powerful business communities that would generate greater economic growth” - Mukaetov emphasized.

The President of the Republic of Macedonia, H.E. Prof. Gjorgje Ivanov, PhD., took active part in the session for presidents of the states from the “Brdo-Brioni Process”. Businessmen, entrepreneurs, and established executives from the region, supported by international experts, also participated in the fourth gathering of Summit 100 for Business Leaders of Southeastern Europe.

CORPORATE INFORMATION



Photo of the participants who attended the event, Portorose, Slovenia

HUMAN RESOURCES MANAGEMENT DEPARTMENT

In line with our strategic objectives to continue the path of upscale corporate development and growth in 2014, we implemented one of the most advanced software solutions, the “AlkaSAP Human Capital Management” module, encompassing change and development in the segment of human resources management. The module covers the segment of corporate database management, including organizational management, personnel administration, talent management, development planning, career path planning, personal employee development, professional training and event management as well as business trip management.

With sharp focus on the project goals, the “AlkaSAP HCM” module was successfully implemented and ready for use within an admirable time frame of only 5 (five) months. The finalization and implementation of this project positioned Alkaloid as the first and only local company to implement and utilize all segments of the SAP module in the management of human resources, especially the talent management segment.

In the spirit of our commitment to operate as socially-responsible corporate citizens, the employees of Alkaloid strongly support the charity events organized by the company under the auspices of the “Trajche Mukaetov” Foundation.

In 2014, we strengthened Alkaloid’s core and the multicultural environment it fosters through a wide range of corporate values with 72 new employees that we see as talents, holding the future of our company.

QUALITATIVE AND QUANTITATIVE STRUCTURE OF EMPLOYEES IN 2014

	Number of employees
Profit Centre / Organizational Unit	
Pharmaceuticals	644
Chemistry	61
Cosmetics	104
Botanicals	54
Corporate services	328
TOTAL ALKALOID AD:	1,191
Alkaloid Cons Ltd. - Skopje	39
Alkaloid Ltd Herbal Pharmacy - Skopje	4
Subsidiaries and companies abroad	308
Total employees:	1,542

CORPORATE INFORMATION

EMPLOYEE (TALENT) MANAGEMENT

The total number of newly recruited employees in Alkaloid AD Skopje in 2014 per profit center i.e. organizational unit is presented in the table below.

17 (seventeen) of them are recruited as young talents, trainees or interns.

	Number of employees
OU Corporate services	28
PC Pharmaceuticals	33
PC Chemistry, Cosmetics, Botanicals	8
Total:	69
Total new:	17

The total number of employee promotions in 2014 was 262. Employee outflow in 2014 was 0.7% (8 employees).

QUALIFICATION STRUCTURE OF THE EMPLOYEES IN 2014

	Number of employees
PhD	3
MSc	18
BSc	438
Higher Education	18
Secondary education	612
Skilled workers	82
Unqualified	20
TOTAL:	1,191

CONTINUOUS EDUCATION

Our approach and philosophy of continuous education and lifelong learning curve aimed at constant personal and professional development as well as strategic corporate development encourages our employees and their managers to utilize the practices designed to identify educational needs and existent gaps in all segments of operation. In the segment of talent management, this approach resulted in a number of internal and external trainings completed in the course of 2014, many of them held at our educational center in Dojran, Macedonia, which is of significant importance for the implementation of the educational process.

Funds invested in employee education and professional development	MKD 8,103,743.02
Funds invested in external education per employee	MKD 6, 805.00



ENVIRONMENTAL PROTECTION

Alkaloid AD, as a socially responsible company, regards the environmental protection as a long-lasting and continuous commitment. The environmental protection and management systems have been a part of the Integrated Quality Management System and the Good Manufacturing Practice.

Continuous monitoring, control and upgrading of the technological processes, the increase in energy efficiency, energy saving and utilization of sustainable energy sources are part of the measures taken to reduce emission of CO₂ and greenhouse gases – all aimed at achieving the ultimate goal – to reduce the harmful effects on nature and humans.

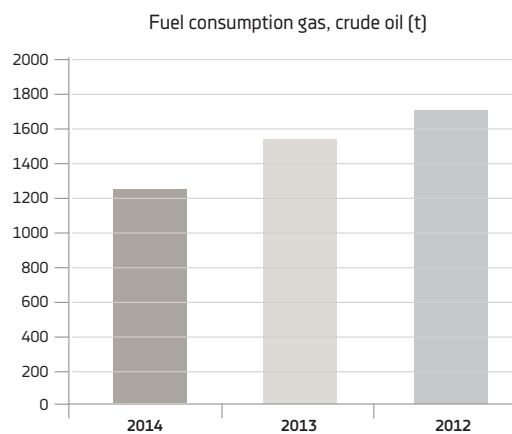
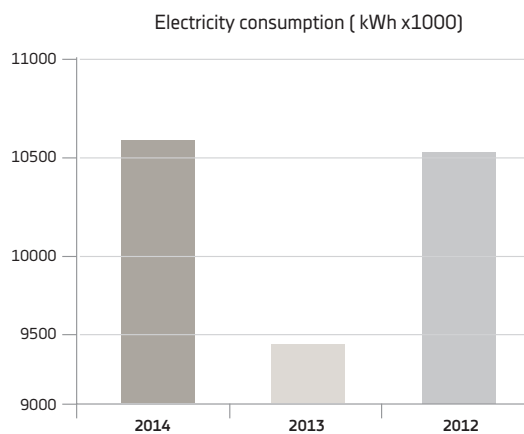
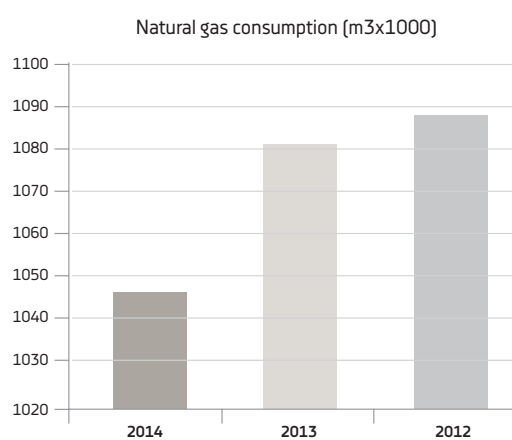
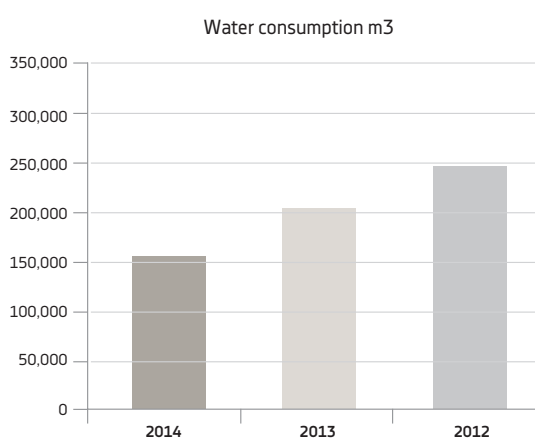
Pursuant to the regulations issued within the authority of the Macedonian Ministry of Environment and Physical Planning, Alkaloid AD Skopje continues to implement the undertaken commitments pertaining to the granted licenses: A-licenses for conformity with operational plans for PC Pharmaceuticals – “Avtokomanda” production site and PC Pharmaceuticals and PC Chemistry – “Gjorche Petrov” production site.

For the purpose of improving the treatment of wastewater, the purification plant within the Semi-synthetic cephalosporin production facility at “Gjorche Petrov” site has been reconstructed. There are ongoing activities for developing systems for purification of wastewater coming from the other production processes at the same site. All these activities are conceptually related in order that the proscribed parameters for release of wastewater in the outdoor sewer system are met and maintained.

In order to provide monitoring of the level of ground water and rational utilization of well water for technological purposes, at the “Avtokomanda” and “Gjorche Petrov” sites, appropriate devices – piezometers and well water meters have been installed, which allow recording of the amount of drawn ground water from the well.

The positive trend of decrease in energy consumption is presented in the charts below. The consumption of water, natural gas and oil has been decreased, whereas the electrical energy consumption has been optimized, i.e. the 2012 trend has been maintained despite the increased production of 3.4%. Generally, the energy consumption has been decreased in absolute amount per unit product.

CORPORATE INFORMATION





ALKALOID CONS LTD DOMESTIC DAUGHTER COMPANY OF ALKALOID AD SKOPJE

Back in 1979, Alkaloid Pharmaceuticals established a department in charge of cooperation with foreign companies in terms of contracts for representation, distribution, as well as consignment stocks.

Its long-standing successful operation and the experience accumulated in this area during the years provided solid basis for foundation of Alkaloid CONS LTD, an import-export company for trade and services that officially begun its operations in 2004 with only 5 employees. Year after year, the growth of Alkaloid CONS, the only domestic daughter-company of Alkaloid AD Skopje, became impressive, both in terms of sales volume and in terms of business portfolio.

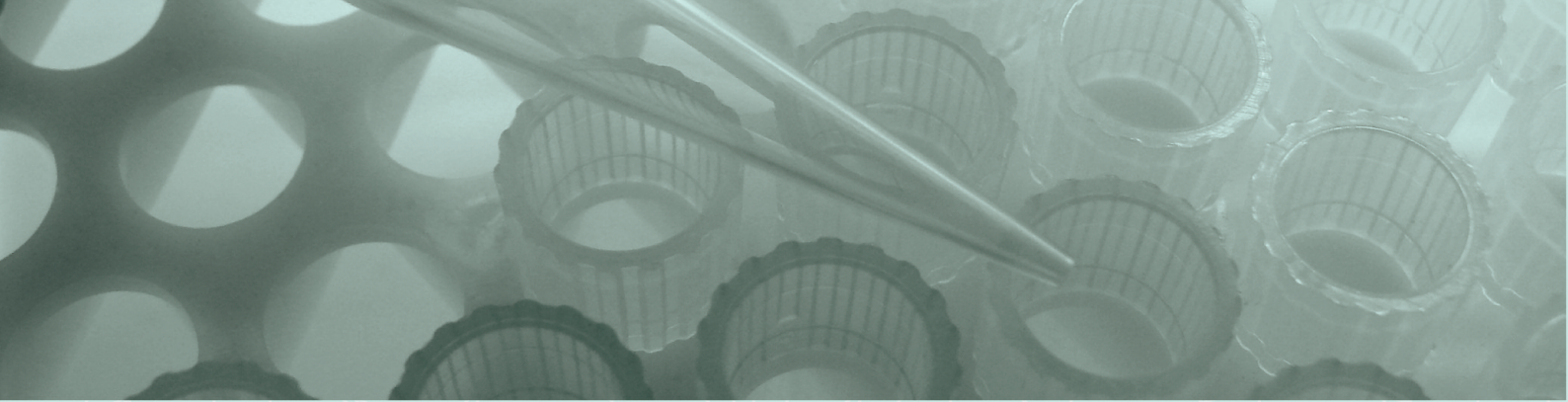
Alkaloid CONS LTD has cooperation agreements with the following companies:

SANOFI-AVENTIS, France
PFIZER H.C.P. CORPORATION, USA
NOVARTIS PHARMA SERVICES INC., Switzerland
GRIFOLS THERAPEUTICS Inc., USA
FUJIFILM CORPORATION, Japan
HARTINGTON PHARMA LTD., UK
PRIZMA D.O.O., Serbia
LeMis-Handels-GmbH, Austria
SHIRE PHARMACEUTICALS IRELAND LIMITED, Ireland
MSD, Netherlands
MEDTRONIC Trading NL BV, Netherlands
GlaxoSmithKline Export Ltd., UK
Fresenius Medical Care, Germany
GASPERO d.o.o., R. Slovenija
VEDRA INTERNATIONAL AD, Bulgaria
Maquet South East Europe DOO, Serbia
Betamed d.o.o. Croatia
Swedish Orphan Biovitrum s.r.o., Croatia
Alcon Pharmaceuticals Ltd., Switzerland
Genzyme Europe B.V., Netherlands
Meril Life Sciences Pvt. Ltd., India

NEW INVESTMENTS IN ALKALOID CONS LTD.

In 2014, Alkaloid AD Skopje made additional investment in its domestic daughter company Alkaloid CONS LTD.

The investment amounted to MKD 50 mil., and was made in line with the continual commitments of Alkaloid AD Skopje to strengthen its positions in the market and extend the product portfolio with efficient and reliable pharmaceutical products and medical devices with competitive prices and verified quality.



MARKETING AND SALES

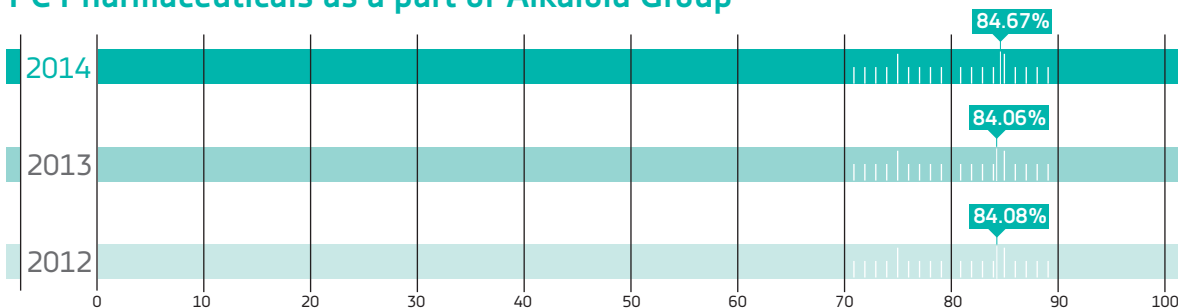
In 2014, 644 employees were working in the Pharmaceuticals segment in its headquarters in Skopje and 351 employees in its subsidiaries. The total net sales of PC Pharmaceuticals amounted to 6.264 billion MK denars (EUR 101.649 million), which is a share of 84.67% in the total sales of Alkaloid Group.

In 2014, the products of the PC Pharmaceuticals were available on the markets in 21 countries. The expansion of our portfolio in the European Union markets continued. We obtained 30 new marketing authorizations for our pharmaceutical products and we submitted 42 new applications for the EU countries.

On the remaining markets, we submitted more than 150 applications for marketing authorizations.

In line with the new development program, we are planning to submit applications for obtaining marketing authorizations for at least 200 pharmaceutical forms in around 30 markets.

PC Pharmaceuticals as a part of Alkaloid Group



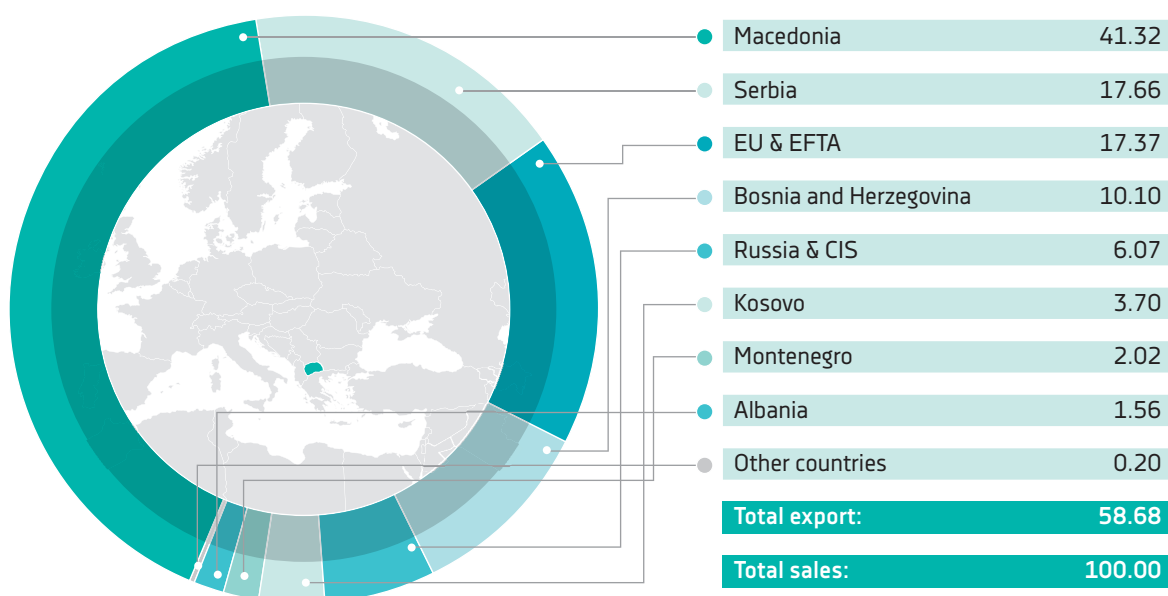
In 2014 we managed to increase the sales level by 4.99% compared to last year. This was primarily due to the increase in the domestic sales by 1.00%, and the increase in the export sales by 8.00% compared to 2013.

SALES PER MARKETS



PC PHARMACEUTICALS

SALES PER COUNTRIES 2014 in %



TOP 5 PRODUCTS OF PC PHARMACEUTICALS

Sales of top 5 products for the year 2014 (% participation in the total sales of PC Pharmaceuticals):

	% participation		
	2014	2013	2012
CAFFETIN	10.71	9.65	10.54
PANCEF (Cefixime)	10.17	8.33	8.25
ANALGIN (Metamizole)	6.68	6.28	4.97
SKOPRYL (Lisinopril)	4.59	4.41	4.66
SKOPRYL PLUS (Lisinopril, Hydrochlorothiazide)	3.98	3.76	3.32



ALKALOID AS EXHIBITOR AT CPHI WORLDWIDE 2014

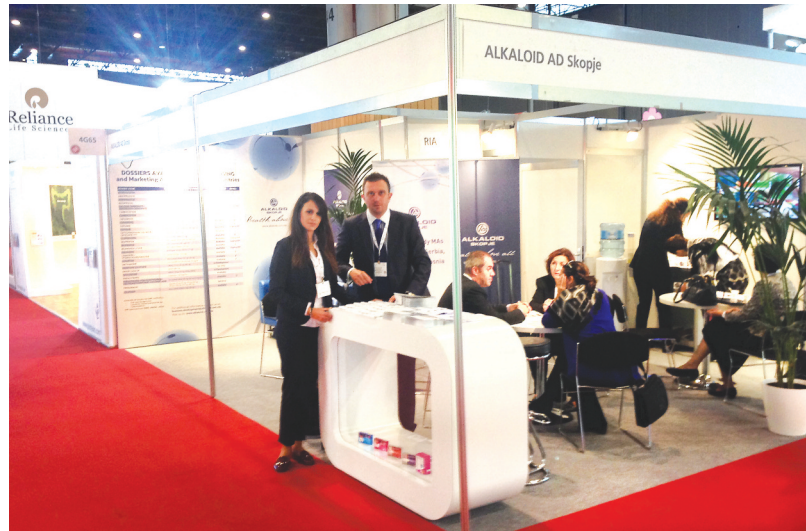
In October 2014, Alkaloid participated at the world's largest pharmaceutical event - CPhI Worldwide (Convention of Pharmaceutical Ingredients) held in Paris, France.

This unique global pharmaceutical event gathers every year more than 2200 exhibitors and over 40000 visitors coming from nearly 140 countries from around the world. This event was established in year 2000 and is held each year in some of the European metropolis (Madrid, Paris, Brussels and Frankfurt).

Alkaloid participated at this convention for the first time in 2004 and representatives of various departments of the company attend this event every year, in order to meet with the global suppliers of pharmaceutical ingredients, to obtain information on licensing of new products, additions in the product portfolios etc.

CPhI is the most important event in the sphere of the pharmaceutical industry and a place where one can meet 36000 pharma professionals divided in 20 sections among which: APIs, finished pharmaceutical forms, pharmaceutical packaging and machines, biopharmaceuticals etc. It is an extraordinary opportunity to meet and exchange experiences with distinguished pharmaceutical professionals and keep pace with the latest achievements and trends in the pharmaceutical industry.

PC PHARMACEUTICALS



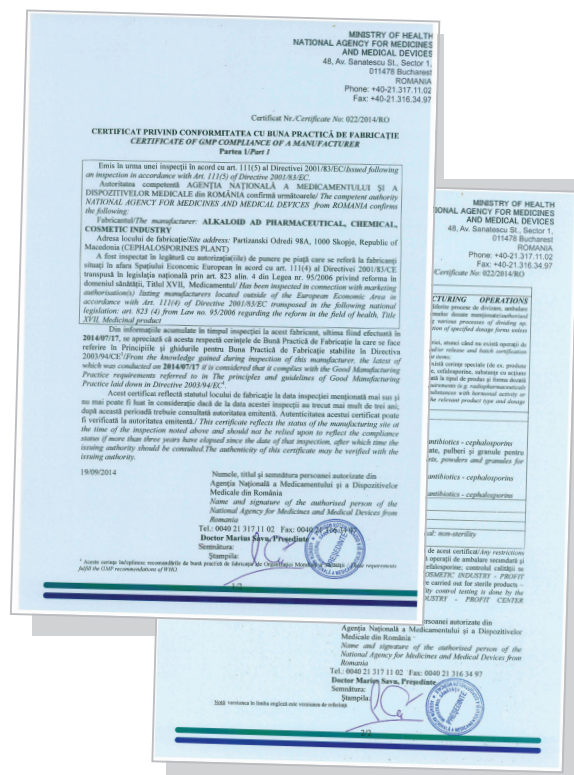
*The world's largest pharmaceutical event
- CPhI Worldwide 2014 Paris, France*

RENEWED CERTIFICATE BY THE AGENCY OF MEDICINES OF ROMANIA

Alkaloid received renewed Good Manufacturing Practice certificate by the National Agency of Medicines and Medical Devices at the Romanian Ministry of Health, following an inspection carried out in the plant for production of semisynthetic cephalosporins.

This is the fifth inspection by Romanian authorities in Alkaloid's plants, which is yet another confirmation of the highest European standards the company implements in its daily work and are the basis for obtaining and maintaining authorizations for placements of Alkaloid's products in the European Union and beyond.

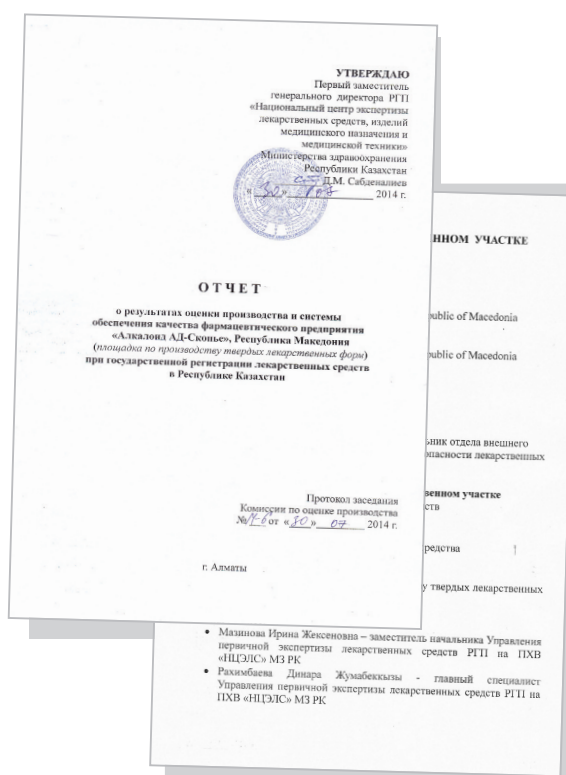
This establishes Alkaloid AD Skopje once again, as highly professional pharmaceuticals producer which implements the most modern production technologies and business standards in its processes for a single purpose – placement of high quality, efficient and safe medications in the market.



ALKALOID SUCCESSFULLY PASSED THE GMP INSPECTION FROM KAZAKHSTAN

The National Expertise Center for Medications, Medical Devices and Medical Equipment at the Ministry of Health of the Republic of Kazakhstan, following an inspection of the facilities for production of solid pharmaceutical dosage forms and semisynthetic cephalosporins of Alkaloid AD Skopje, carried out in June 2014, issued an approval report for conformity with the principles of Good Manufacturing Practice (GMP).

This is the first inspection of Alkaloid's pharmaceutical plants carried out by the authorities of member country of the Commonwealth of Independent Countries that is yet another proof for enforcement of the strictest European and international standards that Alkaloid AD Skopje has been practicing on a daily basis, and are foundation for acquiring and maintaining marketing authorizations for placement of pharmaceutical products not only in the Republic of Kazakhstan, but in Russia, Belarus and other countries in the region.



GastroGuard

PUT OUT THE FIRE IN YOUR STOMACH!



- NEUTRALIZES STOMACH ACID
- FAST ACTION
- SAFE FOR PREGNANT WOMEN
- PLEASANT MENTHOL TASTE
- NO SUGAR

FAST



SAFE



**ALKALOID
SKOPJE**

Health above all
www.alkaloid.com.mk

For indications, use related risks and side effects resulting from this drug use, consult your physician or a pharmacist.

LATEST



CAFFETIN COLD MAX®

paracetamol,
phenylphrine

1000 mg/12,2 mg powder
for oral solution
10 sachets with 5,15 g powder

N02BE51,
paracetamol,
combinations excl. psycholeptics



ENALAPRIL H ALKALOID®

enalapril/hydrochlorothiazide

10 mg/25 mg tablets
20 tablets

C09BA02,
ACE inhibitor and diuretic



ENALAPRIL ALKALOID®

enalapril

5 mg, 10 mg and 20 mg tablets, 20 tablets

C09AA02,
ACE inhibitor

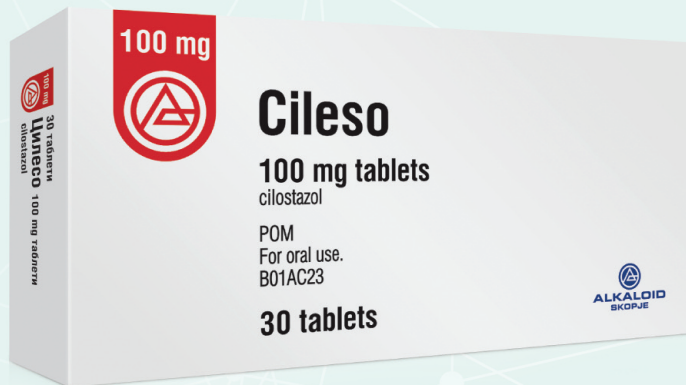
RELEASES

CILESO®

cilostazol

100 mg tablets, 30 tablets

B01AC23,
Antithrombotic agents,
platelet aggregation inhibitor excl.
heparin



BIOCRILL ACTIVE®

500 mg krill oil,
soft capsules
60 and 30 capsules

PROCULIN® LENS Travel pack

multipurpose lens care solution with
hyaluronic acid

100 ml solution



COMPLETE LIST OF PHARMACEUTICAL PRODUCTS REGISTERED IN MACEDONIA

(in alphabetical order)

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
ACEROLA ALKALOID®		
ascorbic acid	contains natural vitamin C 500 mg and 180 mg chewable tablets 30 tablets	A11GA01, vitamin
ACEROLA ALKALOID® for children		
ascorbic acid	contains 100% natural vitamin C 50 mg chewable tablets, 30 tablets	A11GA01, vitamin
ACIKLOVIR ALKALOID®		
aciclovir	50 mg/g cream, 5 g cream	D06BB03, topical antiviral
ACIKLOVIR ALKALOID®		
aciclovir	30 mg/g eye ointment, 5 g ointment	S01AD03, ophthalmological antiviral
ACIKLOVIR ALKALOID®		
aciclovir	200 mg tablets, 30 tablets	J05AB01, antiviral for systemic use
ALBENDAZOL ALKALOID®		
albendazole	200 mg film-coated tablets 6 and 60 tablets	P02CA03, antihelmintic
ALDIZEM®		
diltiazem	60 mg and 90 mg prolonged release tablets, 30 tablets	C08DB01, calcium channel blocker
ALKADIL®		
captopril	25 mg tablets, 40 tablets	C09AA01, ACE inhibitor
ALKALAX-TAB®		
bisacodyl	5 mg gastro-resistant tablets 20 tablets	A06AB02 contact laxatives
ALKAVIT® vitamin C for children		
ascorbic acid	50 mg tablets, 30 tablets	A11GA01, vitamin
ALKAVIT® vitamin E		
tocopherol, α	100 mg chewable tablets 30 tablets	A11HA03, vitamin

PC PHARMACEUTICALS

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
ALKAVIT® FOLIC ACID		
folic acid	0,4 mg film-coated tablets 30 tablets 5 mg film-coated tablets 20 tablets	B03BB01, antianemic preparations
ALMACIN®		
amoxicillin	500 mg capsules, hard 16 and 100 capsules 250 mg/5 ml powder for oral suspension 100 ml suspension	J01CA04, broad spectrum penicillin
ALMETEX®		
carbazoChrome	25 mg tablets, 20 tablets 10 mg/2ml solution for injection 30 ampoules	B02BX02, haemostatic
ALVEN®		
heparin, allantoin, dexpanthenol	300IU/2,5mg/2,5mg/1g, 40 g gel 500IU/2,5mg/2,5mg/1g, 40 g gel 300IU/3mg/4mg/1g, 40 g cream 500IU/3mg/4mg/1g, 40 g cream	C05BA53, combined heparin for topical use
ALYCEF®		
cefadroxil	500 mg capsules, hard, 16 capsules 250 mg/5 ml granules for oral suspension, 100 ml suspension	J01DB05, first-generation cephalosporins
AMINOFILIN ALKALOID®		
aminophylline	100 mg film-coated tablets 50 tablets 350 mg prolonged release tablets 20 tablets 250 mg/10 ml solution for injection 50 ampoules	R03DA05, bronchodilator
AMLODIPIN ALKALOID®		
amlodipine	5 mg and 10 mg tablets 30 tablets	C08CA01, calcium channel blocker

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
AMPICILIN ALKALOID®		
ampicillin	500 mg capsules, hard 16 and 100 capsules 250 mg/5ml powder for oral suspension 100 ml suspension	J01CA01, broad spectrum penicillin
ANALGIN®		
metamizole sodium	500 mg tablets 10 and 500 tablets 1g/2ml and 2.5g/5ml solution for injection, 50 ampoules	N02BB02, analgesic and antipyretic
AQUA AD INIECTABILIA ALKALOID®		
water for injections	2 ml, 5 ml and 10 ml solvent for parenteral use 50 ampoules	V07AB, solvent and diluting agent
ATENOLOL ALKALOID®		
atenolol	50 mg film-coated tablets 15 tablets 100 mg film-coated tablets 15 and 30 tablets	C07AB03, selective β -blocker
BETADINE®		
povidone - iodine	100 mg/g ointment, 20 g ointment 7.5 % and 10 % cutaneous solution 100 ml and 1000 ml solution	D08AG02 and D11AC06, antiseptic & disinfectant;
Manufactured under the license of Mundipharma AG Basel, Switzerland		
BETADINE®		
povidone - iodine	200 mg vaginal pessaries 14 pessaries	G01AX11, gynecological antiseptic
Manufactured under the license of Mundipharma AG Basel, Switzerland		
BETADINE®		
povidone - iodine	1% gargle, 100 ml solution	R02AA15, throat antiseptic
Manufactured under the license of Mundipharma AG Basel, Switzerland		

PC PHARMACEUTICALS

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
BIPRESSO®		
bisoprolol	2.5 mg, 5 mg and 10 mg film-coated tablets, 30 tablets	C07AB07, selective β -blocker
BlokMax®		
ibuprofen	200 mg film-coated tablets 10 tablets	M01AE01, NSAID
BlokMax® forte		
ibuprofen	400 mg film-coated tablets 10 tablets	M01AE01, NSAID
BlokMax® for kids		
ibuprofen	100mg/5 ml oral suspension 100 ml suspension	M01AE01, NSAID
BRONLES®		
carbocisteine	375 mg capsules, hard 30 capsules 250 mg/5ml oral solution, 150 ml solution	R05CB03, mucolytic
BRONLES® for children		
carbocisteine	125 mg/5ml oral solution, 150 ml solution	R05CB03, mucolytic
BRONLES DIRECT®		
carbocisteine	750 mg/10ml oral solution 15 sachets with 10 ml solution	R05CB03, mucolytic
BUPRENORFIN ALKALOID®		
buprenorphine	0,4 mg, 2 mg and 8 mg sublingual tablets 7 and 28 tablets	N07BC01, drugs used in opioid dependance
CAFFETIN SC®		
paracetamol, propyphenazone, caffeine	250 mg/210 mg/50 mg tablets 10 and 500 tablets	N02BE51, combined analgesic
CAFFETIN trio®		
paracetamol, caffeine, codeine	500 mg/50 mg/10 mg tablets 10 and 500 tablets	N02BE51, combined analgesic
CAFFETIN®		
paracetamol, propyphenazone, caffeine, codeine	250 mg/210 mg/50 mg/10 mg tablets 6, 10, 12 and 500 tablets	N02BE51, combined analgesic

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
CAFFETIN COLD®		
paracetamol, ascorbic acid, pseudoephedrine, dextromethorphan	500 mg/60 mg/30 mg/15 mg film-coated tablets, 10 tablets	N02BE51, cough & cold medication
CAFFETIN COLD® PLUS		
paracetamol, vitamin c (ascorbic acid + acerola), dextromethorphan, pseudoephedrine	500 mg/60 mg (50 mg +10 mg) /15 mg/30 mg film-coated tablets, 10 tablets	N02BE51, cough & cold medication
CAFFETIN COLDmax®		
paracetamol, phenylephrine	1000 mg/12,2 mg powder for oral solution 10 sachets with 5,15 g powder	N02BE51 paracetamol, combinations excl. psycholeptics
CAFFETIN® menstrual		
ibuprofen (in a form of lysinate)	200 mg film-coated tablets 10 tablets	M01AE01, NSAID
CARDIOPIRIN®		
acetylsalicylic acid	100 mg gastro-resistant tablets 30 tablets	B01AC06, platelet aggregation inhibitors
CEFACTOR ALKALOID®		
cefactor	500 mg capsules, hard, 16 capsules 125 mg/5ml and 250mg/5ml granules for oral suspension, 60 ml suspension	J01DC04, second-generation cephalosporins
CEFALEXIN ALKALOID®		
cefalexin	500 mg capsules, hard 16 and 100 capsules 250 mg/5ml powder for oral suspension 100 ml suspension	J01DB01, first-generation cephalosporins
CEFAZ®		
ceftazidime	500 mg and 1 g powder for solution for injection 5 vials	J01DD02, third-generation cephalosporins

PC PHARMACEUTICALS

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
CHLORAMPHENICOL ALKALOID®		
chloramphenicol	50 mg/g ointment, 5 g ointment	D06AX02, antibiotic for topical use
CHLORAMPHENICOL ALKALOID®		
chloramphenicol	10 mg/g eye ointment, 5 g ointment	S01AA01, ophthalmological antibiotic
CINEDIL®		
cinnarizine	75 mg tablets, 45 tablets	N07CA02, antivertigo preparation
CIKLOSPORIN ALKALOID®		
ciclosporin	25 mg, 50 mg and 100 mg capsules, soft 50 capsules 100 mg/ml oral solution, 50 ml solution	LO4AD01, immunosuppressant
CITERAL®		
ciprofloxacin	250 mg and 500 mg film-coated tablets 10 tablets 100 mg/10ml concentrate for solution for infusion, 5 ampoules	J01MA02, quinolone for systemic use, fluoroquinolones
CITERAL®		
ciprofloxacin	3 mg/ml eye and ear drops, solution 5 ml solution	S03AA07, antimicrobial quinolone, agent, ophthalmological and otological preparations, anti-infectives
CODEINI PHOSPHATIS ALKALOID®		
codeine	30 mg tablets, 10 tablets	R05DA04, antitussive
CO-ALMACIN®		
amoxicillin; clavulanic acid	400 mg/57 mg/5 ml powder for oral suspension 70 ml suspension 875 mg/125 mg film-coated tablets 10 and 14 tablets	J01CR02, combinations of penicillins, incl. β -lactamase inhibitors
DECOTAL®		
diflucortolone	1 mg/g cream, 20 g cream 1 mg/g ointment, 20 g ointment	D07AC06, potent corticosteroid dermatotherapeutic

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
DIAZEPAM ALKALOID®		
diazepam	2 mg and 5 mg coated tablets 30 tablets 10 mg/2ml solution for injection 10 ampoules	N05BA01, anxiolytic
DicloJet®		
diclofenac	75 mg gastro-resistant capsules, hard 20 capsules Manufactured in cooperation with Temmler Werke GmbH, Munchen, Germany	M01AB05, NSAID
Diclo Duo®		
diclofenac	75 mg modified release capsules, hard 20 capsules Manufactured in cooperation with Temmler Werke GmbH, Munchen, Germany	M01AB05, NSAID
DIPROL®		
paracetamol	120 mg/5ml oral suspension 100ml suspension	N02BE01, analgesic and antipyretic
DOXYCYCLIN ALKALOID®		
doxycycline	100 mg capsules, hard 5 and 100 capsules	J01AA02, tetracycline antibiotic
EGLONYL® forte		
sulpiride	200 mg tablets, 10 and 30 tablets	N05AL01, antipsychotic
EGLONYL®		
sulpiride	50 mg capsules, hard, 30 capsules 25 mg/5 ml oral solution 120 ml solution 100 mg/2 ml solution for injection 30 ampoules	N05AL01, antipsychotic
EPIAL®		
carbamazepine	200 mg tablets, 50 tablets	N03AF01, antiepileptic
FAMOSAN®		
famotidine	10 mg and 20 mg film-coated tablets 20 tablets 40 mg film-coated tablets 10 tablets	A02BA03, H ₂ receptor antagonists

PC PHARMACEUTICALS

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
FLAGYL®		
metronidazole	500 mg vaginal pessaries 10 pessaries	G01AF01, gynecological antiinfective and antiseptic
Manufactured in cooperation with Sanofi Aventis, France		
FLAGYL®		
metronidazole	250 mg film-coated tablets 20 tablets 400 mg tablets, 20 tablets	J01XD01, P01AB01, antiinfective for systemic use, antiprotozoal
Manufactured in cooperation with Sanofi Aventis, France		
FLUFENAZIN ALKALOID®		
fluphenazine	1 mg coated tablets, 25 tablets 2.5 mg and 5 mg coated tablets 100 tablets 2.5 mg/1ml solution for injection 5 ampoules	N05AB02, antipsychotic
FLUOXETIN ALKALOID®		
fluoxetine	20 mg capsules, hard 30 capsules	N06AB03, antidepressant
FURAL®		
nifuroxazide	200mg/5 ml oral suspension 90ml suspension	A07AX 03 intestinal antiinfective agent
FURAL®		
nifuroxazide	100 mg capsules, hard, 30 capsules 200 mg capsules, hard, 20 capsules	A07AX03 intestinal antiinfective agent
FUROSEMID ALKALOID®		
furosemide	40 mg tablets, 10 tablets 20 mg/2ml solution for injection 50 ampoules	C03CA01, diuretic
FUREXA®		
cefuroxime	250 mg and 750 mg powder for injection 5 vials	J01DC02, second-generation cephalosporins

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
FUREXA®		
cefuroxime	1,5 g powder for solution for injection or infusion, 5 vials	J01DC02, second-generation cephalosporins
GASTROGUARD®		
calcium carbonate; magnesium carbonate	680 mg/80 mg chewable tablets 8, 16, 24 and 32 tablets	A02AD01, antacids, combinations and complexes of aluminium, calcium and magnesium compounds
GENTAMICIN ALKALOID®		
gentamicin	20 mg/2 ml, 40 mg/2ml, 80 mg/2 ml and 120 mg/2ml solution for injection, 10 ampoules	J01GB03, aminoglycoside antibiotic
GLIBEDAL®		
glibenclamide	5 mg tablets, 30 tablets	A10BB01, oral blood glucose lowering drugs
GLUCOSE ALKALOID®		
glucose	5% and 10% solution for infusion 500 ml solution	B05BA03, solution for parental nutrition
GYNIPRAL®		
hexoprenaline	0.01 mg/2ml solution for injection 5 ampoules	G02CA, tocolytic
Manufactured in cooperation with Nycomed Austria GmbH, Austria		
HARTMAN ALKALOID®		
sodium chloride; potassium chloride; calcium chloride dihydrate; sodium lactate	6,02g/0,373g/0,294g/6,276g/ /1000 ml solution for infusion 500 ml solution	B05BB01, blood substitutes and perfusion solutions
HEFEROL®		
ferrous fumarate	350 mg capsules, hard, 30 capsules	B03AA02, antianemic
HIDROHLOROTIAZID ALKALOID®		
hydrochlorothiazide	25 mg tablets, 20 tablets	C03AA03, diuretic

PC PHARMACEUTICALS

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
HOLLESTA®		
simvastatin	10 mg, 20 mg and 40 mg film-coated tablets, 30 tablets	C10AA01, hypolipaemic HMG CoA reductase inhibitors
INDAPAMID ALKALOID® SR		
indapamide	1.5 mg prolonged release tablets 30 film-coated tablets	C03BA11, diuretics
KALCIUM KARBONAT ALKALOID®		
calcium carbonate	1000 mg tablets, 50 tablets	A12AA04, mineral supplement
KLINDAMICIN ALKALOID®		
clindamycin	150 mg and 300 mg capsules, hard 16 capsules 300 mg /2 ml and 600 mg/ 4 ml solution for injection, 10 ampoules	J01FF01, lincosamide antibiotic
LAMAL®		
lamotrigine	25 mg, 50mg, 100 mg and 200 mg tablets, 30 tablets	N03AX09, antiepileptic
LEGOFER®		
ferric proteinsuccinylate	40 mg/15 ml oral solution 150 ml solution	B03AB09, antianemic
Manufactured in cooperation with Italfarmaco S.p.A. Milan, Italy		
LEXILIUM®		
bromazepam	1.5 mg, 3 mg and 6 mg tablets 30 tablets	N05BA08, benzodiazepine derivatives
Manufactured in cooperation with F. Hoffman - La Roche Ltd. Basel, Switzerland		
LIDAPRIM®		
sulfametrole, trimethoprim	400 mg/80 mg/ tablets, 20 tablets	J01EE03, combined sulphonamide & trimethoprim
Manufactured in cooperation with Nycomed Austria GmbH, Austria		

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
LIDAPRIM® for children		
sulfametrole, trimethoprim	100 mg/20 mg tablets, 20 tablets 200 mg/40 mg/5 ml oral suspension 100 ml suspension	J01EE03, combined sulphonamide & trimethoprim
Manufactured in cooperation with Nycomed Austria GmbH, Austria		
LIDOKAIN HIDROHLORID ALKALOID®		
lidocaine	40 mg/2ml solution for injection 100 ampoules	N01BB02, C01BB01 local anaesthetic, antiarrhythmic
LIDOCAIN-ADRENALIN ALKALOID®		
lidocaine, epinephrine	40mg/0.025 mg/2 ml solution for injection, 100 ampoules	N01BB52, local anaesthetic
LORATADIN ALKALOID®		
loratadine	10 mg tablets, 10 tablets 1 mg/1ml oral solution, 120 ml solution	R06AX13, antihistaminic
LOSARTAN ALKALOID®		
losartan	50 mg and 100 mg film-coated tablets 30 tablets	C09CA01, angiotensin II antagonist
LUNATA®		
zolpidem	5 mg and 10mg film-coated tablets 10 tablets	N05CF02, hypnotics and sedatives
LYVAM®		
levetiracetam	250 mg, 500 mg, 750 mg and 1000 mg film-coated tablets, 60 tablets	N03AX14 other antiepileptics
MENDILEX®		
biperiden	2 mg tablets, 50 tablets	N04AA02, antiparkinsonic
METADON ALKALOID®		
methadone	10 mg/ml oral drops, solution 10 ml solution 10 mg/ml oral solution, 100 ml and 1000 ml solution	N07BC02, opioid analgesic; drug used in opioid dependence
METFORMIN ALKALOID®		
metformin	500 mg, 850 mg and 1000 mg film-coated tablets, 30 tablets	A10BA02, oral blood glucose lowering drugs, biguanides

PC PHARMACEUTICALS

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
MORFIN HIDROHLORID ALKALOID®		
morphine	20 mg/ml and 4 mg/ml solution for injection 10 ampoules	N02AA01, opioid analgesic
NATRII CLORIDI INFUNDIBILE CUM GLUCOSO 5% ALKALOID®		
sodium chloride; glucose	9 g/50 g/ 1000 ml solution for infusion 500 ml solution	B05BB02, blood substitutes and perfusion solutions
NATRIUM HLORID ALKALOID®		
sodium chloride	0,9% solution for infusion 500 ml solution	B05XA03, plasma substitutes and infusion solutions/electrolytes
NIFADIL® retard		
nifedipine	20 mg prolonged release, tablets 30 film-coated tablets	C08CA05, calcium channel blocker
NIFLAM® retard		
ketoprofen	200 mg film-coated tablets, 20 tablets	M01AE03, NSAID
NIFLAM®		
ketoprofen	50 mg capsules, hard, 20 capsules 100 mg/2ml solution for injection and infusion 10 ampoules 100 mg suppositories, 12 suppositories	M01AE03, NSAID
NOVAMORF®		
morphine	20 mg sublingual tablets 20 and 60 tablets	N02AA01, opioid analgesic
NOZINAN®		
levomepromazine	25 mg and 100 mg film-coated tablets 20 and 100 tablets	N05AA02, antipsychotic
Manufactured in cooperation with Sanofi Aventis, France		
NYPERO®		
ropinirole	0,25 mg, 0,5 mg, 1 mg, 2 mg and 5 mg film-coated tablets, 21 tablets	N04BC04, dopamine agonists

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
NYMER® nimesulide	100 mg tablets, 15 tablets	M01AX17 other antiinflammatory and antirheumatic agents, non-steroids
OMEZOL® omeprazole	20 mg gastro-resistant capsules, hard 14 capsules	A02BC01, antiulcer drug
PANCEF® cefixime	400 mg film-coated tablets, 5 and 10 tablets 100 mg/5ml granules for oral suspension 60 ml and 100 ml suspension	J01DD08, third-generation cephalosporins
PARACETAMOL ALKALOID® paracetamol	500 mg tablets, 10, 12 and 500 tablets 120 mg/5ml oral solution 100 ml solution	N02BE01, analgesic and antipyretic
PARSEDIL® dipyridamole	75 mg coated tablets, 15 tablets	B01AC07, platelet aggregation inhibitor
PENTOKSIFILIN ALKALOID® pentoxifylline	400 mg prolonged release tablets 20 film-coated tablets 100 mg/5 ml solution for injection 5 ampoules	C04AD03, peripheral vasodilator, rheolytic
PHENOBARBITAL ALKALOID® phenobarbital	15 mg and 100 mg tablets 30 tablets	N03AA02, antiepileptic
PHOLCODIN ALKALOID® pholcodine	10 mg capsules, hard, 20 capsules 15 mg/15ml oral solution 150 ml solution	R05DA08, antitussic

PC PHARMACEUTICALS

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
PHOLCODIN ALKALOID® for children		
pholcodine	4 mg/5ml oral solution 60 ml solution	R05DA08, antitussic
PIMEF®		
cefepime	1 g and 2 g powder for solution for injection or infusion 5 vials	J01DE01, fourth-generation cephalosporins
PROCULIN®		
naphazoline	0.3mg/ml eye drops 10 ml solution	S01GA01, ophthalmic decongestant
PROPAFENON ALKALOID®		
propafenone	150 mg film-coated tablets 40 tablets 35 mg/10 ml solution for injection 10 ampoules	C01BC03, antiarrhythmic
PROPILTIOURACIL ALKALOID®		
propylthiouracil	50 mg tablets, 20 tablets 100 mg tablets, 45 tablets	H03BA02, thyrostatic
REGLAN®		
metoclopramide	10 mg tablets, 40 tablets 5 mg/5ml oral solution 120 ml solution 10 mg/2 ml solution for injection 30 ampoules	A03FA01, antiemetic
Manufactured in cooperation with Sanofi Aventis, France		
RELIKA®		
perindopril tert-butylamine	2 mg, 4 mg and 8 mg tablets 30 tablets	C09AA04 ACE inhibitors, plain
REMOXICAM®		
piroxicam	20 mg capsules hard, 20 capsules	M01AC01, NSAID

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
RINGER ALKALOID®		
sodium chloride; potassium chloride; calcium chloride dihydrate	8,60 g/0,30 g/0,33 g/1000 ml solution for infusion 500 ml solution	B05BB01, plasma substitutes and infusion solutions/electrolytes
RISPERIDON ALKALOID®		
risperidone	1 mg, 2 mg and 3 mg film-coated tablets, 20 tablets 1 mg/1 ml oral solution 60 ml solution	N05AX08, antipsychotic
SALBUTAMOL ALKALOID®		
salbutamol	2 mg tablets, 60 and 100 tablets 2mg/5ml oral solution 150 ml solution 5mg/ml nebuliser solution 20 ml solution	R03CC02, R03AC02, bronchodilator
SINEQUAN®		
doxepin Manufactured under the license of Pfizer Corporation	10 mg and 25 mg capsules, hard, 30 capsules	N06AA12, antidepressant
SIZAP®		
olanzapine	2.5 mg, 5 mg and 10 mg film-coated tablets, 30 tablets	N05AH03, antipsychotics
SKOPRYL®		
lisinopril	5 mg, 10 mg and 20 mg tablets 20 tablets	C09AA03, ACE inhibitor
SKOPRYL plus®		
lisinopril, hydrochlorothiazide	20 mg/12.5mg tablets 20 tablets 20 mg/25 mg tablets 20 tablets	C09BA03, combined antihypertensive
SUMETRIN®		
sumatriptan	50 mg film-coated tablets 6 and 3 tablets	N02CC01, antimigraine preparation

PC PHARMACEUTICALS

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
SYNETRA®		
clopidogrel	75 mg film-coated tablets, 30 tablets	B01AC04, antithrombotic agent
TAMLOS®		
tamsulosin	0.4 mg modified release capsules, hard 30 capsules	G04CA02, drug used in benign prostatic hypertrophy
TIMOLOL ALKALOID®		
timolol	5mg/ml eye drops, 5 ml solution	S01ED01, antiglaucoma preparation
TORVEX®		
atorvastatin	10 mg, 20 mg, 40 mg and 80 mg film-coated tablets, 30 tablets	C10AA05, hypolipaemic
TRAMADOL ALKALOID®		
tramadol	50 mg capsules, hard, 20 capsules 50 mg/1ml solution for injection 5 and 50 ampoules 100 mg/2ml solution for injection 5 and 50 ampoules	N02AX02, opioid analgesic
TRICEF®		
cefepodoxime	100 mg film-coated tablets 10 and 20 tablets 200 mg film-coated tablets 10 and 20 tablets 40 mg/5ml powder for oral suspension 100 ml suspension	J01DD13, third-generation cephalosporins
TRIGLID®		
fenofibrate	145 mg tablets, 30 tablets	C10AB05 lipid modifying agent, plain; fibrates

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
ULCODIN®		
ranitidine	75 mg film-coated tablets, 20 tablets, 150mg film-coated tablets, 15,20 and 30 tablets	A02BA02, H ₂ receptor antagonists
VASOFLEX®		
prazosin	1 mg tablets, 30 tablets 2 mg and 5 mg tablets 60 tablets	C02CA01, selective α_1 -adrenergic blocker
Manufactured under the license of Pfizer Corporation		
VERAPAMIL ALKALOID® retard		
verapamil	240 mg prolonged release, tablets 20 film - coated tablets	C08DA01, calcium channel blocker
VERAPAMIL ALKALOID®		
verapamil	40 mg and 80 mg coated tablets, 30 tablets 5 mg/2 ml solution for injection 10 and 50 ampoules	C08DA01, calcium channel blocker
VITAMIN B₁ ALKALOID®		
thiamine	100 mg/1 ml solution for injection 50 ampoules	A11DA01, vitamin
VITAMIN B₁₂ ALKALOID®		
cyanocobalamin	500 mcg/1 ml solution for injection 50 ampoules	B03BA01, antianemic
VITAMIN B₆ ALKALOID®		
pyridoxine	20 mg tablets, 20 tablets 50 mg/2 ml solution for injection 50 ampoules	A11HA02, vitamin
VITAMIN C ALKALOID®		
ascorbic acid	500 mg tablets, 250 tablets	A11GA01, vitamin
WALZERA®		
valsartan	40 mg, 80 mg and 160 mg film-coated tablets 30 tablets	C09CA03 angiotensin II antagonists, plain

PC PHARMACEUTICALS

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
YMANA®		
memantine	5 mg, 10 mg, 15 mg and 20 mg film-coated tablets 30 tablets	N06DX01 anti-dementia drug
ZANFEXA®		
venlafaxine	37.5 mg, 50 mg and 75mg tablets 30 tablets	N06AX16, antidepressants
ZANFEXA® XR		
venlafaxine	37,5 mg, 75 mg and 150 mg prolonged release capsules, hard 30 capsules	N06AX16, antidepressants
ZEPIRA®		
escitalopram	5 mg, 10 mg, 15 mg and 20 mg film-coated tablets 30 tablets	N06AB10 selective serotonin reuptake inhibitors
ZYTRON®		
ondansetron	4 mg and 8 mg film-coated tablets, 10 tablets 4 mg/2ml and 8mg/4ml solution for injection, 5 ampoules	A04AA01, antiemetic and antinauseant

Latest releases

Registered name, INN (generic)	Presentation (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
ENALAPRIL H ALKALOID®		
enalapril/hydrochlorothiazide	10 mg/25 mg tablets 20 tablets	C09BA02, ACE inhibitor and diuretic
ENALAPRIL ALKALOID®		
enalapril	5 mg, 10 mg and 20 mg tablets, 20 tablets	C09AA02, ACE inhibitor
CILESO®		
cilostazol	100 mg tablets, 30 tablets	B01AC23, Antithrombotic agents, platelet aggregation inhibitor excl. heparin

Medical devices

Registered name	Presentation
PROCULIN® TEARS	
	sodium hyaluronate 0.2%, moisturizing ophthalmic solution 10 ml solution
PROCULIN® LENS	
	multipurpose lens care solution with hyaluronic acid 400 ml solution
PROCULIN® LENS Travel pack	
	multipurpose lens care solution with hyaluronic acid 100 ml solution

Food Supplements

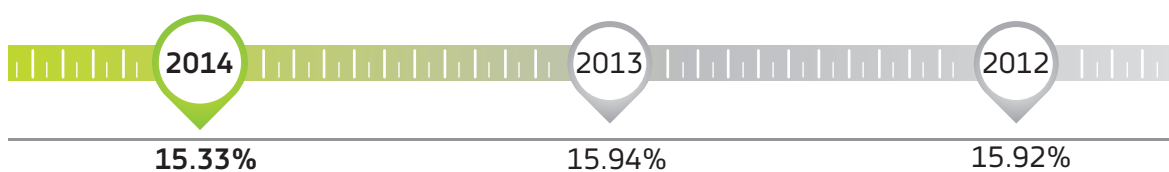
Registered name	Presentation (strength, pharmaceutical form, pack size)
ALKAKAPS® Shark Oil	500 mg shark liver oil (min. 20% alkylglycerols), soft capsules 30 and 60 capsules
ALKAKAPS® Coenzyme Q₁₀ forte	30 mg coenzyme Q ₁₀ (ubidecarenone), soft capsules 30 soft capsules
ALKAKAPS® Beta Carotene	6.67 mg betacarotene 30% (equivalent to 2 mg betacarotene, or 333 mcg vitamin A), soft capsules 90 soft capsules
ALKAKAPS® Omega 3	500 mg fish oil (including 165 mg EPA and 110 mg DHA) and 5 mg vitamin E, soft capsules 60 capsules
BioKrill Active®	500 mg krill oil, soft capsules 30 and 60 soft capsules
DIASTOP®	35 mg Bacillus subtilis IP 5832, capsules 16 capsules
Vitamin A+D₃ Alkaloid®	1667 IU vitamin A (in a form of retinol palmitate) and 400 IU vitamin D ₃ (cholecalciferol), soft capsules 50 capsules
Premama Duo	11 vitamins; 10 minerals with DHA combination of 30 tablets and 30 soft capsules



MARKETING AND SALES

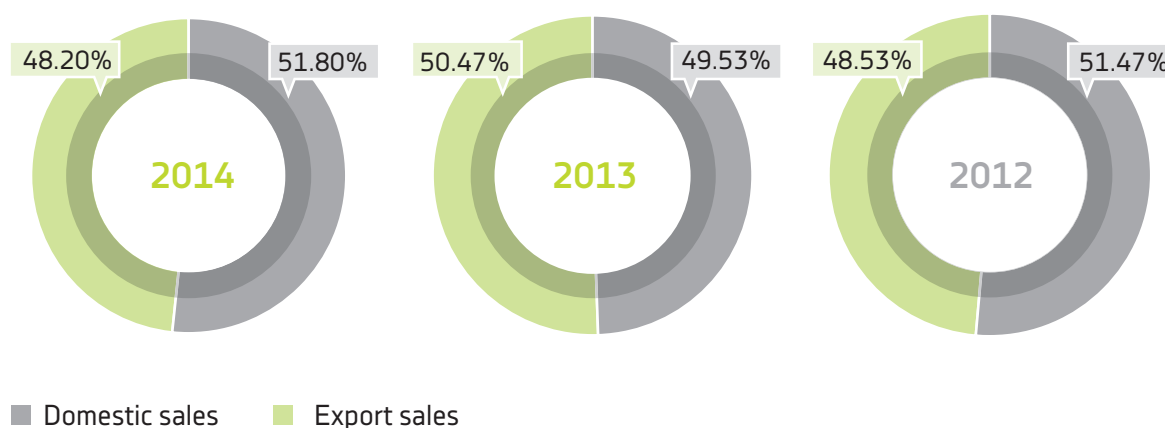
In 2014, PC Chemicals, Cosmetics & Botanicals had 219 employees working in the headquarters in Skopje. The total net sales of this Profit Centre amounted to 1.134 billion MK denars (EUR 18.401 million), which is a share of 15.33% in the total sales of Alkaloid Group. In 2014, the products of the PC Chemicals, Cosmetics & Botanicals were available on the markets in 13 countries.

PC Chemicals, Cosmetics & Botanicals as a part of Alkaloid Group



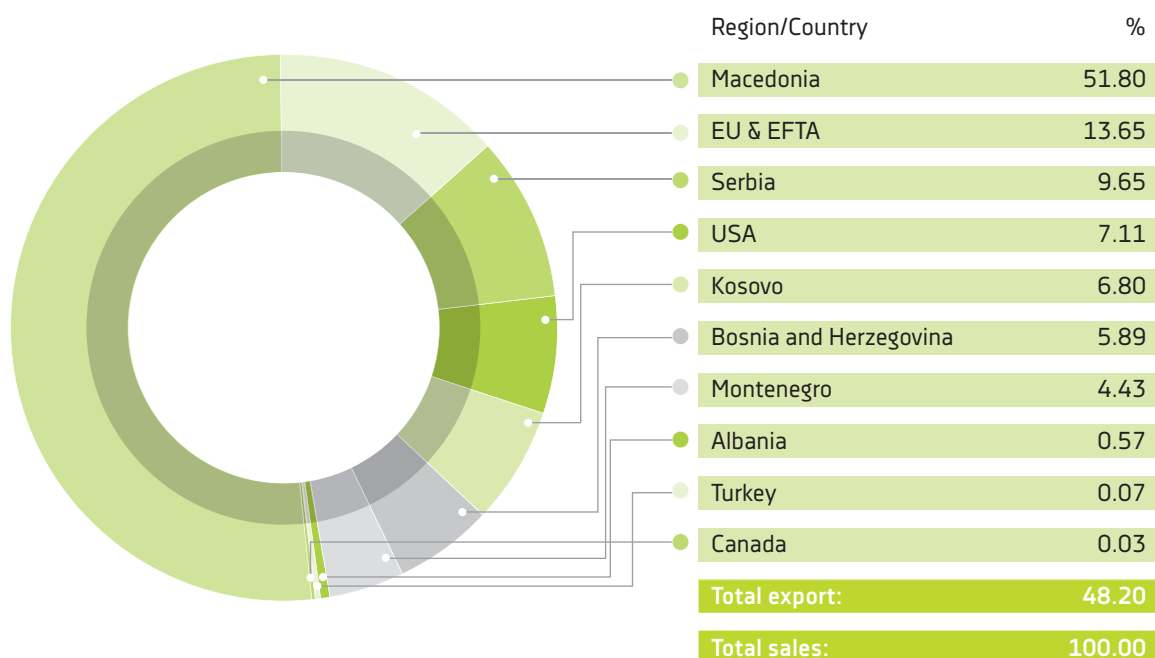
In 2014 the sales level demonstrated an increase of 0.24% compared to last year, i.e. a decrease of 17.36% in the Chemistry segment, an increase of 1.25% in the Cosmetics and an increase of 17.15% in the Botanicals segment.

Sales per markets



CHEMICALS, COSMETICS & BOTANICALS

Sales per countries in 2014

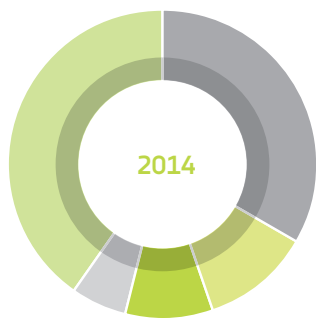


The participation of the three segments in the total sales of PC Chemicals, Cosmetics & Botanicals in 2014 was as follows:

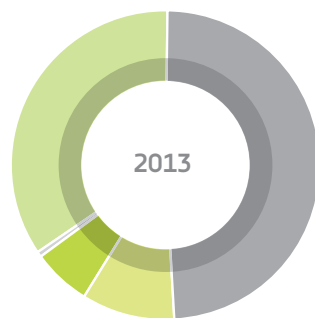
Segment of ChC&B	% participation		
	2014	2013	2012
CHEMICALS	16.69	20.24	21.20
Domestic market	9.19	8.61	9.41
Export market	7.50	11.63	11.79
COSMETICS	63.02	62.39	60.85
Domestic market	30.86	30.12	30.60
Export market	32.16	32.27	30.25
BOTANICALS	20.30	17.37	17.95
Domestic market	11.75	10.80	11.46
Export market	8.55	6.57	6.49

The sales structure per segments is presented below:

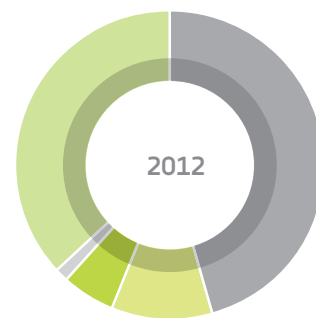
SALES STRUCTURE - CHEMICALS



■ ARGENTUM SALTS	33.36
■ LIQUID MINERAL FERTILISERS	11.41
■ ETHANOL	9.31
■ ACIDUM ACETICUM	5.08
■ OTHERS	40.12

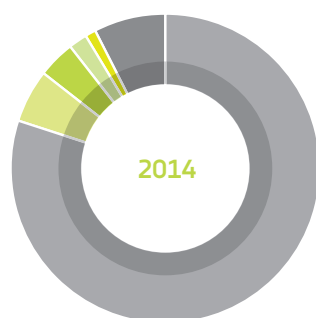


■ ARGENTUM SALTS	49.09
■ LIQUID MINERAL FERTILISERS	9.66
■ ETHANOL	6.19
■ ACIDUM ACETICUM	0.71
■ OTHERS	34.35

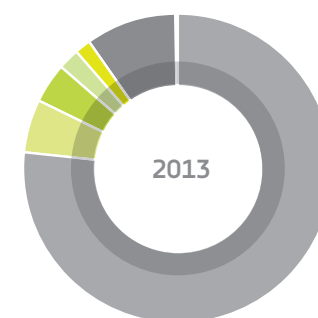


■ ARGENTUM SALTS	45.69
■ LIQUID MINERAL FERTILISERS	10.68
■ ETHANOL	5.47
■ ACIDUM ACETICUM	1.24
■ OTHERS	36.92

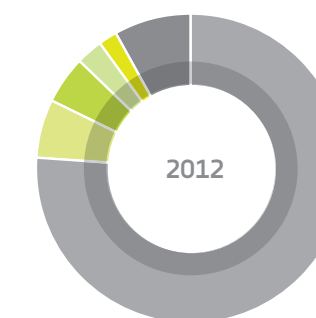
SALES STRUCTURE - COSMETICS



■ BECUTAN (Baby cosmetics)	80.06
■ SHAMPOOS	5.53
■ GLOSS (Household cleaning products)	4.06
■ PERFUMES	1.94
■ SOAPS	0.94
■ OTHERS	7.47



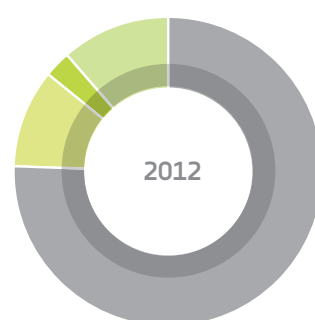
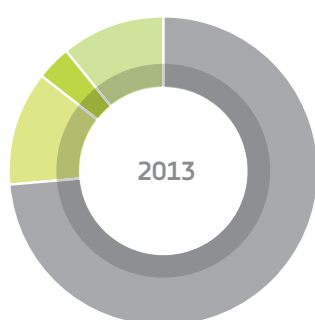
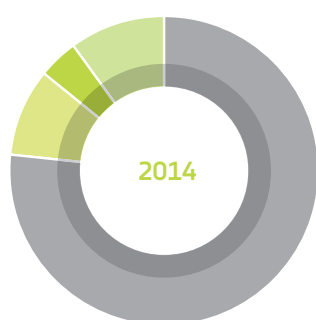
■ BECUTAN (Baby cosmetics)	76.90
■ SHAMPOOS	5.42
■ GLOSS (Household cleaning products)	4.14
■ PERFUMES	2.31
■ SOAPS	1.60
■ OTHERS	9.64



■ BECUTAN (Baby cosmetics)	76.33
■ SHAMPOOS	6.17
■ GLOSS (Household cleaning products)	4.78
■ PERFUMES	2.79
■ SOAPS	2.01
■ OTHERS	7.92

CHEMICALS, COSMETICS & BOTANICALS

SALES STRUCTURE - BOTANICALS



Category	2014	2013	2012
TEAS	76.89	73.78	75.78
ZACHINAL (Food seasoning)	9.14	11.78	10.09
MEDICAL HERBS	4.14	3.71	2.81
OTHERS	9.83	10.73	11.32



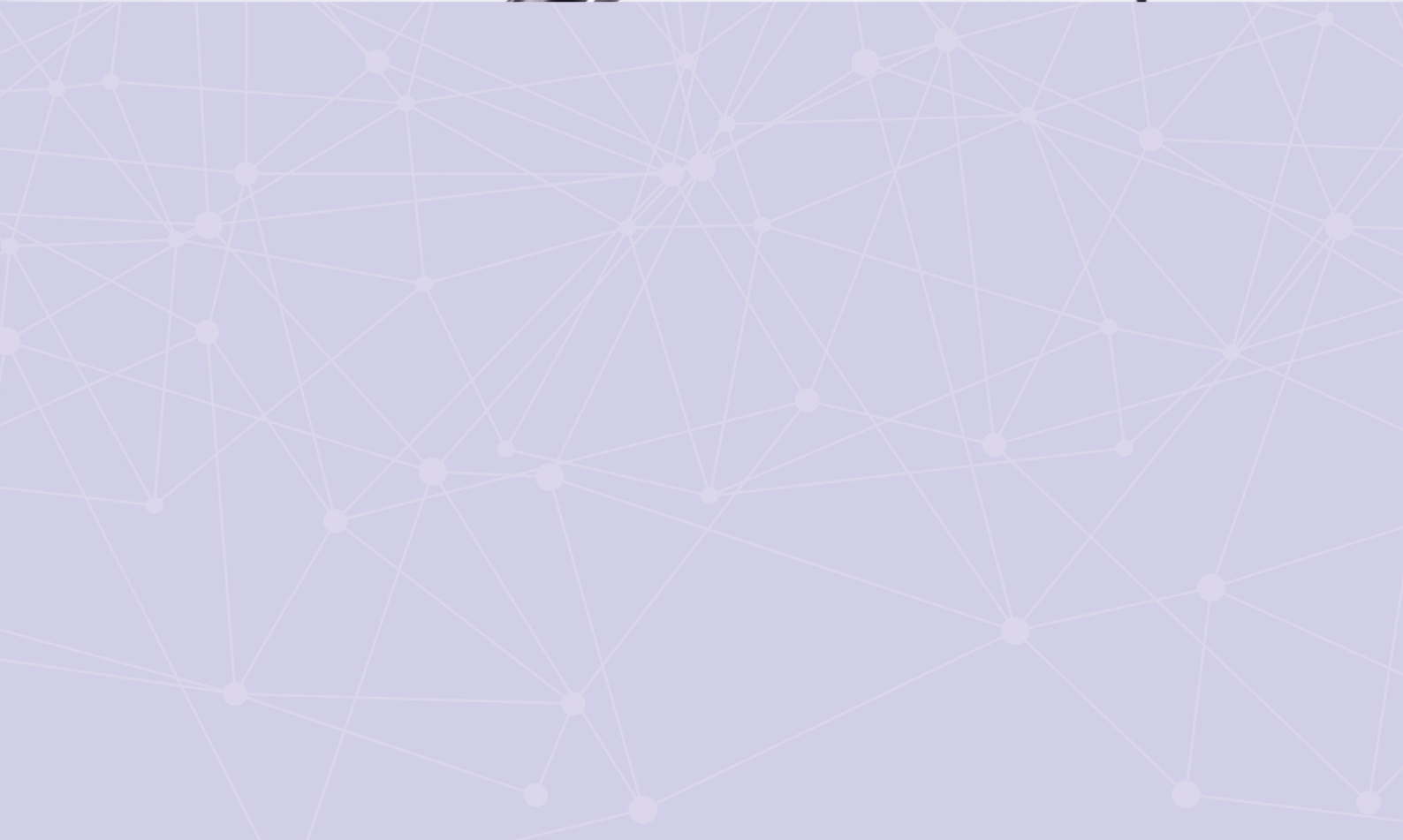
BE CUTAN, ACEROLA AND GOOD MORNING: GOOD NATURE IN ACTION WITH THE YOUNGEST CONSUMERS

Alkaloid's brands: Becutan, Acerola and the line of cereals intended for the youngest consumers: Good Morning Good Nature – got their temporary play and learn zone in the Skopje Zoo on the occasion of marking the new beginning of the school year.

In order to bring these products closer to the consumers, Alkaloid installed a specially designed area where the parents were presented with the benefits of these products intended primarily for children while the smallest ones enjoyed the various games and presents offered by Alkaloid.

CHEMICALS, COSMETICS & BOTANICALS







FINANCES

Alkaloid made strong progress in 2014 despite all turbulences, delivering upscale results in both revenue and operating income. Once again, we have managed to sustain the stable financial profile of the company which provides security, flexibility and ability to give a timely response when facing with new challenges.

Like the years before, 2014 was marked with many geopolitical uncertainties in many regions around the world. Also typical for 2014 were the changes in the regulations concerning the national economy, tax legislation, implementation of various financial discipline measures etc. However, regardless of the uncertain and challenging environment, we continued to find the right measures to reduce these impacts on the company's operations in order to fulfill the planned goals, as well as to continue the trend of financial strengthening of the company, all in line with our strategic goals for growth and improvements in all key financial indicators.

Alkaloid reported consolidated net sales for 2014 in amount of EUR 120.05 million, an increase of 4% compared to 2013. Earnings before interest, taxes, depreciation and amortization (EBITDA) in amount of EUR 18.45 million increased 8%. Operating profit also increased for 8% to EUR 12.59 million. Net profit for 2014 in amount of EUR 10.04 million increased 3%, all compared to year 2013.

During 2014, we generated cash from operating activities in the amount of EUR 16.43 million, we also managed to return to shareholders EUR 4.6 million through dividends, which is a 9% increase compared to 2013. Free cash flow was EUR 7.78 million, a noteworthy accomplishment in light of our robust investment program mainly focused on increasing manufacturing capacity, as well as information technologies and ERP systems.

FINANCES & SHAREHOLDING

All financial reports, standalone and consolidated reports representing the business activities of Alkaloid AD Skopje and its subsidiaries abroad are compiled in accordance with the Law on Trade Companies, the Accounting Guidelines, the International Accounting Standards and the International Financial Reporting Standards.

Finally, thank you, our loyal shareholders, customers, our employees, our stakeholders for your continued confidence, and the communities in which we live and work for their support. We look forward to updating you on the progress we are making toward our strategic goals in the months and years ahead.



Viktor Stojchevski
Chief Financial Officer /
Member of the Management Board

A handwritten signature in blue ink, appearing to be 'V. Stojchevski', written in a cursive style.

SHAREHOLDING

The capital of Alkaloid AD Skopje amounts to 1,431,353 shares with a par value of EUR 25.56 per share, or a total sum of EUR 36,585,382.68. All shares are freely transferable. All individuals registered in the Shareholders Registry, which is in compliance with the existing legislation is kept with the Central Depository for Securities of the Republic of Macedonia – are considered shareholders. All shareholders enjoy equal status and have the right to vote at the Company's Shareholding Assembly with one vote per each ordinary share, and they also have the right to a dividend.

99.77% (1,428,125) of the shares are ordinary shares of which 59 shares are reserved for former proprietors, while 0.23% (3,228) are preference shares also reserved for former proprietors and proprietors who need to prove their ownership right for estate now belonging to ALKALOID AD Skopje.

STRUCTURE OF THE SHAREHOLDERS IN ALKALOID AD SKOPJE

Legal and physical persons / Ordinary shares	1,428,125	99.77%
Former proprietors / Preference shares	3,228	0.23%

According to the records of the Macedonian Stock Exchange, the shares of Alkaloid in the course of 2014 were amongst the most traded and most liquid ones. There were 1,860 transactions made, 92,909 shares were traded (which is 6.49% of the total share capital of Alkaloid AD Skopje), worth a total of EUR 6,855,043.

ALKALOID AD Skopje, as one of the leading companies on the Macedonian Stock Exchange, in the regular stock exchange operations participated with 19,29% of the total turnover recorded on the first official market of the Stock Exchange in 2014. The share price of Alkaloid AD Skopje ranged from MKD 4,300 to MKD 5,210, with an average of MKD 4,549.20.

As at 31st December 2014, Alkaloid had 5,120 shareholders holding ordinary shares. The substantial number of shareholders is a sufficient indicator of the interest in the Company and its successful operations.

FINANCES & SHAREHOLDING

DIVIDEND

Since 1995, when the company was restructured, Alkaloid AD Skopje has regularly paid dividends to its shareholders on an annual basis. The net dividend per share for the year 2014 amounted to MKD 189.00

Net dividend per share (In MK Denars)

2014	2013	2012
189.00	180.00	165.00



Gjorgji Jovanov,
Director / MB Member

A handwritten signature in blue ink, appearing to read 'G. Jovanov', written in a cursive style.



ALKALOID WAS GRANTED THE FIFTH “CRYSTAL BELL 2014”

Alkaloid AD Skopje was granted the Crystal Bell award for being the most transparently quoted company on the Macedonian Stock Exchange for 2014.

The transparency in the operations, the quality of communication and timely disclosure of price sensitive information via the electronic reporting system of the Macedonian Stock Exchange, the quality of the annual report of the company, the quality of the web page of the company, the quality of the communication of the company with other regulatory bodies in the country, relations with the financial intermediaries and other investors, level and quality of corporate governance and corporate social responsibility were the main criteria in the selection process.

The award was granted during the “Annual conference of the Macedonian securities market 2015”, hosted by the Macedonian Stock Exchange, Securities and Exchange Commission of the Republic of Macedonia and the Central Securities Depository AD Skopje.

The award Crystal Bell granted by the Macedonian Stock Exchange is the fifth award of this type granted to Alkaloid AD Skopje following the ones in year 2008, 2011, 2012 and 2013.

FINANCES & SHAREHOLDING



Mr. Ivan Shteriev, CEO of the Macedonian Stock Exchange hands over the "Crystal Bell 2014" to Mr. Viktor Stojchevski, CFO of Alkaloid





CONSOLIDATED FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

Deloitte.

Deloitte DOO
Mit. Teodosij Gologanov 28
1000 Skopje
Republic of Macedonia

Tel: +389 (0)2 3111 300
Fax: +389 (0)2 3119 544
www.deloitte.com/mk

TO THE MANAGEMENT BOARD AND THE SHAREHOLDERS OF ALKALOID AD SKOPJE

We have audited the accompanying consolidated financial statements (page 2 to 39) of Alkaloid AD Skopje and its subsidiaries (hereinafter referred to as the "the Group"), which comprise the statement of consolidated financial position as at 31 December 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the financial position of Alkaloid AD Skopje and its subsidiaries as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte DOO
March 6, 2015
Ul. Mit. Teodosij Gologanov 28
Skopje, Macedonia

Deloitte doo

Central Register of RM, Registry No. 4881427, VAT No. 4030994253680
Account No. 300-000000910-22, Komercijalna banka AD, Kej Dimitar Vlahov br. 4, Skopje,

Deloitte refers to one or more Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/mk/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its Member Firms.

Member of Deloitte Touche Tohmatsu Limited

CONSOLIDATED FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of Denar)

		As at 31 December	
	Note	2014	2013
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,631,935	3,840,953
Intangible assets	7	896,933	760,008
Deferred tax assets	18	17,547	17,547
Available-for-sale financial assets	9	3,721	3,191
Other non-current assets	12	29,080	20,998
		4,579,216	4,642,697
Current assets			
Inventories	10	2,041,310	2,035,041
Trade receivables	11	2,206,720	2,196,438
Other current assets	12	208,902	198,764
Cash and cash equivalents	13	479,300	408,928
		4,936,232	4,839,171
TOTAL ASSETS		9,515,448	9,481,868
EQUITY			
Capital and reserves			
Share capital	14	2,197,095	2,205,348
Legal reserves		609,666	609,405
Other reserves	15	1,333,230	1,515,595
Retained earnings		3,529,699	3,216,316
Minority interests		1,132	1,179
		7,670,822	7,547,843
LIABILITIES			
Non-current liabilities			
Non-current borrowings	16	50,025	55,204
Retirement benefit obligations	17	24,698	19,379
Deferred tax liabilities	18	92	7,213
		74,815	81,796
Current liabilities			
Trade and other payables	19	1,227,292	1,264,349
Income tax		77,341	23,642
Current borrowings	16	465,178	564,238
		1,769,811	1,852,229
Total liabilities		1,844,626	1,934,025
TOTAL EQUITY AND LIABILITIES		9,515,448	9,481,868

The accompanying notes are an integral part of these consolidated financial statements.

These consolidated financial statements have been approved by the Managing Board on 9 February 2015.

Approved by:

Zhivko Mukaetov

General Manager



Viktor Stojcevski

Finance Manager



CONSOLIDATED INCOME STATEMENT

(In thousands of Denar)

	Note	Year ended 31 December	
		2014	2013
Sales	5	7,397,836	7,097,599
Cost of sales	23	(3,836,683)	(3,673,013)
Gross profit		3,561,153	3,424,586
Research and development expenses	23	(47,504)	(46,765)
Selling and marketing expenses	23	(2,182,665)	(2,262,544)
Administrative expenses	23	(295,006)	(267,821)
Provision for other liabilities and charges	20	(5,383)	-
Other income	21	303,476	174,980
Other expenses	22	(558,447)	(306,926)
Operating profit		775,624	715,510
Finance expenses	26	(29,578)	(44,227)
Profit before income tax		746,046	671,283
Income tax	27	(127,592)	(70,857)
Profit for the year		618,454	600,426
Attributable to the:			
Shareholders of the Parent Company		618,501	600,452
Minority interests		(47)	(26)
Profit for the year		618,454	600,426
Earnings per share (In Denar)			
- Basic	28	436.57	422.26

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of Denar)

		Year ended 31 December	
	Note	2014	2013
Profit for the year		618,454	600,426
Other comprehensive income:			
Fair value of investments	15	839	(548)
Revaluation of assets	15	(168,839)	-
Translation differences	15	1,230	(2,575)
Other comprehensive income, net of tax		(166,770)	(3,123)
Total comprehensive income for the year		451,684	597,303

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands of Denar)

	Attributable to the Parent						Total Equity
	Share capital	Share premiums	Legal reserves	Other reserves	Retained earnings	Minority interests	
As at 1 January 2013	2,205,348	(1,127)	604,746	1,524,599	2,907,337	1,205	7,242,108
Fair value of investments (Note 9)	-	-	-	(548)	-	-	(548)
Transfer of reserves (Note 15)	-	1,127	4,754	(5,881)	-	-	-
Dividends and tax of paid dividend (Note 29)	-	-	-	-	(289,105)	-	(289,105)
Profit for the year	-	-	-	-	600,452	(26)	600,426
Translation differences	-	-	(95)	(2,575)	(2,368)	-	(5,038)
As at 31 December 2013	2,205,348	-	609,405	1,515,595	3,216,316	1,179	7,547,843
Purchase of treasury shares	(8,253)	-	-	(15,595)	-	-	(23,848)
Fair value of investments (Note 9)	-	-	-	839	-	-	839
Transfer of reserves	-	-	46	-	(46)	-	-
Increase previous year	-	-	-	-	6,504	-	6,504
Revaluation of assets (Note 6 and 15)	-	-	-	(168,839)	-	-	(168,839)
Dividends and tax of paid dividend (Note 29)	-	-	-	-	(315,985)	-	(315,985)
Profit for the year	-	-	-	-	618,501	(47)	618,454
Translation differences	-	-	215	1,230	4,409	-	5,854
As at 31 December 2014	2,197,095	-	609,666	1,333,230	3,529,699	1,132	7,670,822

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL REPORT

CONSOLIDATED CASH FLOW STATEMENT

(In thousands of Denar)

	Year ended 31 December	
	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	7,459,821	6,824,979
Cash paid to suppliers and employees	(6,441,728)	(5,701,505)
Cash generated from operations	1,018,093	1,123,474
Interest received	14,701	10,542
Income tax paid	(20,452)	(10,954)
Net cash generated from operating activities	1,012,342	1,123,062
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(398,638)	(381,505)
Proceeds from investments in securities	-	1,475
Dividends received	-	20
Other payments to employees	(67,263)	(59,406)
Net cash used in investing activities	(465,901)	(439,416)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	2,227,666	2,098,190
Repayments of borrowings	(2,340,142)	(2,247,208)
Interest paid	(31,700)	(45,687)
Purchase of treasury shares	(23,848)	-
Interest from investment in bonds	308	308
Compensation to shareholders and tax of paid dividend and other allocation of profit	(283,729)	(260,031)
Net cash used in financing activities	(451,445)	(454,428)
NET INCREASE IN CASH AND CASH EQUIVALENTS	94,996	229,218
Cash and cash equivalents at beginning of year	408,928	185,589
Translation differences	(24,624)	(5,879)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	479,300	408,928

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Alkaloid AD Skopje (the Parent Company) and its subsidiaries produce and sell a wide range of pharmaceutical, chemical and cosmetic products, as well as goods from herbal origin. The Parent Company (hereinafter referred to as “the Group”) has sixteen subsidiaries and one Foundation in the Republic of Macedonia and other countries. For the list of the subsidiaries refer to Note 2.4.

Production facilities of the Group are located in Skopje and Belgrade.

Alkaloid AD Skopje, the Parent Company is a joint stock company, established and with head office in the Republic of Macedonia. The registered address of the Parent Company is: *Aleksandar Makedonski 12
1000 Skopje, Republic of Macedonia*

The shares of Alkaloid AD Skopje have been listed on the Macedonian Stock Exchange since 2002.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the year presented.

2.1 Basis of preparation

The consolidated financial statements of Alkaloid AD Skopje have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and available-for-sale financial assets.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2 Standards and Interpretations effective in the current period

The following standards, amendments to the existing standards and interpretations issued by the International Accounting Standards Board are effective for the current period:

- **Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosures of Interests in Other Entities” and IAS 27 “Separate Financial Statements” – Investment Entities** (effective for annual periods beginning on or after 1 January 2014),
- **Amendments to IAS 32 “Financial instruments: presentation” – Offsetting Financial Assets and Financial Liabilities** (effective for annual periods beginning on or after 1 January 2014),
- **Amendments to IAS 36 “Impairment of assets” – Recoverable Amount Disclosures for Non-Financial Assets** (effective for annual periods beginning on or after 1 January 2014),

CONSOLIDATED FINANCIAL REPORT

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Standards and Interpretations effective in the current period (Continued)

- **Amendments to IAS 39 “Financial Instruments: Recognition and Measurement”**
 - Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014),
- **IFRIC 21 “Levies”** (effective for annual periods beginning on or after 1 January 2014).

The adoption of these amendments to the existing standards and interpretations has not led to any changes in the Company’s accounting policies.

2.3 Standards and Interpretations in issue not yet adopted

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective:

- **IFRS 9 “Financial Instruments”** (effective for annual periods beginning on or after 1 January 2018),
- **IFRS 14 “Regulatory Deferral Accounts”** (effective for annual periods beginning on or after 1 January 2016),
- **IFRS 15 “Revenue from Contracts with Customers”** (effective for annual periods beginning on or after 1 January 2017),
- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosure of Interests in Other Entities” and IAS 28 “Investments in Associates and Joint Ventures”** - Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IFRS 11 “Joint Arrangements”** - Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 1 “Presentation of Financial Statements”** - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”** - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture”** - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 19 “Employee Benefits”** - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014),

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Standards and Interpretations in issue not yet adopted (Continued)

- **Amendments to IAS 27 “Separate Financial Statements”**
- Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to various standards “Improvements to IFRSs (cycle 2010-2012)”** resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 July 2014),
- **Amendments to various standards “Improvements to IFRSs (cycle 2011-2013)”** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 July 2014),
- **Amendments to various standards “Improvements to IFRSs (cycle 2012-2014)”** resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 January 2016).

The Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The Company anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the consolidated financial statements of the Company in the period of initial application.

2.4 Subsidiaries

Subsidiaries are all legal entities over which the Parent Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Parent Company controls another Company. The cost of acquisition is measured at fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are de-consolidated from the date that control ceases.

CONSOLIDATED FINANCIAL REPORT

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Subsidiaries (Continued)

The accompanying consolidated financial statements include the financial statements of the Parent Company Alkaloid AD Skopje and the following subsidiaries:

	2014	2013
	% of ownership	% of ownership
Alkaloid DOO Zagreb, Croatia	100%	100%
Alkaloid DOO Beograd, Serbia	100%	100%
Alkaloid INT DOO Ljubljana, Slovenia	100%	100%
Alkaloid DOO Sarajevo, Bosnia and Herzegovina	100%	100%
Alkaloidpharm SA Fribourg, Switzerland	100%	100%
Alkaloid EOOD Sofia, Bulgaria	100%	100%
ALK&KOS Shpk Prishtina, Kosovo	100%	100%
Alkaloid Bilna apteka DOOEL Skopje, Macedonia	100%	-
Alkaloid Kons DOOEL Skopje, Macedonia	100%	100%
Alkaloid USA LLC Columbus, Ohio USA	49%	49%
Fund "Trajce Mukaetov" Skopje, Macedonia	100%	100%
Alkaloid DOO Podgorica, Montenegro	100%	100%
OOO Alkaloid RUS Moscow, Russia	100%	100%
Alkaloid FARM DOO Ljubljana, Slovenia	100%	100%
Alkaloid Veleadrogerija DOO Beograd, Serbia	100%	100%
Alkaloid ILAC TLS Istanbul, Turkey	100%	100%
ALKA-LAB DOO Ljubljana, Slovenia	100%	-

The investment in Alkaloid USA LLC Columbus, Ohio USA is the equity share of 49%, but the Parent Company exercises control. During 2013, Alkaloid AD Skopje established a new subsidiary in Turkey, Alkaloid ILAC TLS Istanbul. During 2014, Alkaloid AD Skopje established a new subsidiary in Slovenia, ALKA-LAB DOO Ljubljana, Slovenia and a new subsidiary in Macedonia, Alkaloid Bilna apteka DOOEL Skopje.

Alkaloid's representative offices in Russia, Ukraine, Bosnia and Herzegovina and Albania are included in the consolidated financial statements of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Segment reporting

Operating segments are reported in a manner with the internal reporting provided to the Managing Board. Managing Board is responsible for strategic decisions for each segment.

As at 31 December 2014, the Company is organized on a worldwide basis into four reportable segments:

- Pharmaceuticals** - Production of medicines for human use;
- Chemicals** - Production of chemicals products;
- Cosmetics** - Production of cosmetics;
- Botanicals** - Production of botanicals products.

The pharmaceutical overall production program of the products of Alkaloid Pharmaceuticals is consisted of the following pharmaceutical forms:

- Oral hard dosage forms: Tablets - conventional and modified release, film-tablets, coated tablets, sub-lingual tablets, capsules, dry powder for oral suspension.
- Liquid dosage forms for oral administration: Solutions for oral administration, syrups, suspensions.
- Topical preparations: Ointments, creams, solutions, gels, sprays, vaginal pessaries, suppositories.
- Sterile dosage forms: Parenteral small-volume, eye drops, ointments for eyes.

Besides the capacities for manufacturing finished pharmaceutical products, Alkaloid-Pharmaceuticals has also facilities for extraction of opioids which include production of morphine and its derivatives as pharmaceutical raw materials.

Alkaloid Chemical products today are developed programme for the production of chemicals and organic and non-organic reagents, with pa, puriss, purum and with pharmacopeial qualities. They are suitable for laboratories within institutions, faculties, clinics, the pharmaceutical and cosmetic industry, as well as in the production processes of other industries.

Alkaloid's Cosmetics Unit develops and produces skincare products, children's skincare, soaps, hair care products, dental care products, men's perfume collection, women's perfume collection, as well as household cleaners. The ingredients that are used in the products are purchased from suppliers that satisfy our high-quality standards and are in accordance with the requirements of the European directive for quality cosmetic products.

The activities in Botanical unit consists of processing blending and packing herbal materials like roots, leaves, fruits, seeds etc.

Segment revenue is revenue reported in the company's income statement that is directly attributable to a segment and the relevant portion of the company income that can be allocated on a reasonable basis to a segment.

Segment expense is an expense resulting from the operating activities of a segment that is directly attributable to the segment and the relevant portion of an expense that can be allocated on a reasonable basis.

Net operating assets consist primarily of property, plant and equipment, intangible assets, inventories and receivables less operating liabilities. Company assets and liabilities principally consist of net liquidity (cash, cash equivalents and other current financial assets less financial debts) and deferred and current taxes.

CONSOLIDATED FINANCIAL REPORT

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Segment reporting (Continued)

The accounting policies of the reportable segments are the same as the Company's accounting policies. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

2.6 Leasing

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

2.7 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in thousands of Macedonian Denar (Denar or MKD), which is the Group's functional currency and the presentation currency for the consolidated financial statements.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement. Translation differences of non-monetary assets denominated in foreign currency are recognized in equity.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities are translated at the closing rate at the date of the statement of financial position;

Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

All resulting differences are recognized as a separate component of equity.

2.8 Property, plant and equipment

Property plant and equipment were initially recorded at cost. Land, buildings and part of equipment are stated at fair value, based on appraisal performed by external independent appraiser, less subsequent depreciation. When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. Other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the consolidated income statement. The revaluation surplus is transferred to retained earnings upon ultimate disposal of revaluated asset.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	20 - 40 years
Machinery	10 - 20 years
Vehicles	4 years
Furniture, fittings and equipment	4 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each consolidated statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The carrying amount of disposed PP&E is eliminated from the consolidated statement of financial position together with the carrying amount of accumulated depreciation. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated income statement.

2.9 Intangible assets

Trademarks, licenses and software

Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Amortization is calculated using the straight-line method to allocate the cost of trademarks, licenses and software over their estimated useful lives (5 - 10 years).

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period.

CONSOLIDATED FINANCIAL REPORT

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets (Continued)

Internally-generated intangible assets—research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Financial assets

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the consolidated statement of financial position (Note 2.13).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the investment within 12 months of the consolidated statement of financial position date.

Regular purchases and sales of investments are recognized on trade date, the date on which the Group commits to purchase or sell the asset. The purchase value of investments includes transaction costs. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. The Group also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets are stated at cost. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the available-for-sale financial assets are presented in the equity and the consolidated statement of comprehensive income, except for impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the consolidated income statement. Dividends on available-for-sale equity instruments are recognized in the consolidated income statement when the Group's right to receive payments is established.

The fair values of quoted investments are based on last traded prices. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognized at cost, less impairment.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in the consolidated income statement. Method for evaluation of impairment of trade receivables is explained in Note 2.13.

2.12 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the actual cost method. The cost of finished goods and work in progress comprises direct production costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

CONSOLIDATED FINANCIAL REPORT

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the consolidated income statement within "selling and marketing costs".

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in bank and in hand.

2.15 Share capital

Ordinary shares are classified as equity. Purchases of the Parent Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs are deducted from equity attributable to the Parent Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and are included in equity attributable to the Parent Company's equity holders.

2.16 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

2.17 Income tax

Current income tax is calculated and paid in accordance with the Income tax Law. The estimated tax is paid in advance on a monthly basis. The final tax is payable in the Republic of Macedonia at the rate of 10% calculated based on the profit as determined in the Consolidated statement of comprehensive income, adjusted for certain items as defined by the local tax legislation. In respect of the Group's subsidiaries the current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Income tax (Continued)

Deferred tax (Continued)

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is provided on temporary differences arising on investments in subsidiaries excepts where timing of the reversal of temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.18 Employee benefits

Pension liabilities

The Group has both defined benefit and defined contribution plans.

- Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.
- A defined contribution plan is a pension plan under which the Group pays contributions into publicly and privately administered pension plans on a mandatory basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employees are terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

CONSOLIDATED FINANCIAL REPORT

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Employee benefits (Continued)

Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a decision of a Managing Board. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.19 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, estimated returns, discounts and rebates. Revenue is recognized as follows:

Sales of goods

Sales of goods are recognized when a group Company has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

Sales of services

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income

Dividend income is recognized when the right to receive payment is established.

2.21 Dividends

Dividend distribution to the Parent Company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The financial risk management is performed by the Group's financial department, based on Decisions from Managing Board.

Market risk

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

To manage the foreign exchange risk the Group provides enough cash in foreign currencies held in banks in order to maintain its future commercial transactions.

b) Price risks

The Group is exposed to equity securities price risk because of available-for-sale investments held by the Group. The Group is not exposed to commodity price risk.

Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that wholesales of products are made to customers with an appropriate credit history. Trade receivables consist of large number of balances. The Group has policies that limit the amount of credit exposure.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Interest risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flow are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from borrowings. The Group has no specific policy, but in direct negotiation with lenders attempts to reduce interest rate risk. Interest rates of long-term borrowings are significantly lower than short term. Interest rates on short term borrowings are decreased in respect of previous year.

3.2 Fair value estimation

The fair value of available-for-sale financial assets traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the last traded price.

The fair value of financial instruments that are not traded in an active market is determined by assumptions that are based on public information for recent arm's length transactions or reference to other instruments that are substantially the same.

CONSOLIDATED FINANCIAL REPORT

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Fair value estimation (Continued)

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimize the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.



4. ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of property, plant and equipment

The Group tests annually whether fair value of land and buildings has suffered material changes compared with their fair value as assessed in the last appraisal. The Group estimation is that the difference between their fair value recorded into the books and the current market value is not material, and do not affect the result.

Fair value of financial assets

The available-for-sale financial assets that are not traded in an active market are stated at their cost. The Group estimation is that the difference between their fair value and cost is not material, and do not affect the result. This financial assets are insignificant both in the books in the Group and as a percentage of participation in the issuer capital.

Trade receivables

The Group assessed annually the fair value of trade receivables.

Estimates for accounting for employee benefits

IAS19, Employee Benefits, requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations. These mainly actuarial assumptions such as expected inflation rates, long-term increase in health care costs, employee turnover and discount rates. Substantial changes in the assumed development of any one of these variables may change the Company's retirement benefit obligation.

CONSOLIDATED FINANCIAL REPORT

5. SEGMENT REPORTING

Reportable segments - Products

Segment information reported to the Management Board is based on products and category of customers. The segment information by product is more relevant to the Group.

Principal categories of goods are pharmaceutical and non-pharmaceutical products (chemicals cosmetics and botanicals). Customers for the goods of the Group are wholesalers.

Segments revenues and results for the year ended 31 December is as follows:

(In thousands of Denar)

	Segment revenues		Segment operating profit	
	2014	2013	2014	2013
Pharmaceutical products	6,263,886	5,966,410	724,072	656,432
Chemical products	189,212	228,969	2,022	13,888
Cosmetic products	714,578	705,758	31,168	39,593
Botanical products	230,160	196,462	18,362	5,597
Total	7,397,836	7,097,599	775,624	715,510
Finance expenses			(29,578)	(44,227)
Profit before tax			746,046	671,283
Income tax			(127,592)	(70,857)
Profit for the year			618,454	600,426

Revenue reported above represents revenue generated from external customers.

5. SEGMENT REPORTING (Continued)

Segment assets and liabilities for the year ended 31 December is as follows:

(In thousands of Denar)

Segment assets		
	2014	2013
Pharmaceutical products	7,989,588	7,986,666
Chemical products	243,681	323,265
Cosmetic products	882,419	819,938
Botanical products	399,760	351,999
Total assets	9,515,448	9,481,868
Segment liabilities		
	2014	2013
Pharmaceutical products	1,625,836	1,665,587
Chemical products	56,629	59,218
Cosmetic products	126,688	174,807
Botanical products	35,473	34,413
Total liabilities	1,844,626	1,934,025

Other segment information for the year ended 31 December is as follows:

(In thousands of Denar)

	Depreciation and amortization		Addition to non-current assets	
	2014	2013	2014	2013
Pharmaceutical products	325,888	313,895	442,779	374,441
Chemical products	7,591	6,943	8,895	18,021
Cosmetic products	17,164	11,672	11,862	58,679
Botanical products	10,872	9,750	13,643	10,469
Total liabilities	361,515	342,260	477,179	461,610

CONSOLIDATED FINANCIAL REPORT

5. SEGMENT REPORTING (Continued)

Geographical information

The Republic of Macedonia is the domicile country of the Group where part of the activities are performed.

(In thousands of Denar)

	Revenue from external customers		Non-current assets	
	2014	2013	2014	2013
Macedonia	3,175,437	3,122,867	4,423,939	4,508,081
Serbia	1,215,649	1,083,600	44,364	55,346
Croatia	659,575	711,398	14,584	18,010
Bosnia and Herzegovina	699,441	646,005	753	1,569
Other countries	1,647,734	1,533,729	45,228	17,955
Total	7,397,836	7,097,599	4,528,868	4,600,961

Geographical information about sales revenue is based on the customers' origin.

Non-current assets are consisted of PP&E and Intangible assets.

Information about major customers

The sales of Pharmaceutical products are spread over many countries and customers. No major customer participates in the direct sales of Pharmaceutical products.

In the sales of Cosmetics products, there is one major customer with participation of 13.1% (2013: 14.4%) in direct sales.

In the sales of Chemicals products, there is one major customer with participation of 32.5% (2013: 43.2%) in direct sales.

In the sales of Botanicals products, there is one major customer with participation of 34.6% (2013: 27.0%) in direct sales.

(In thousands of Denar)

Sales by category	2014	2013
Sales of goods	5,773,184	5,600,249
Sales of commodities	1,550,642	1,438,668
Revenue from services	-	5
Other revenue	74,010	58,677
Total	7,397,836	7,097,599

6. PROPERTY, PLANT AND EQUIPMENT

(In thousands of Denar)

	Land	Buildings	Equipment	Construction in progress	Total
Cost or valuation					
At 1 January 2013	946,343	2,071,357	2,384,814	23,575	5,426,089
Additions	-	758	13,486	224,875	239,119
Transfer from construction in progress	117	52,755	157,234	(210,106)	-
Disposals	(14,526)	(277)	(30,404)	-	(45,207)
Translation differences	-	(367)	(1,676)	-	(2,043)
As at 31 December 2013	931,934	2,124,226	2,523,454	38,344	5,617,958
Accumulated depreciation					
At 1 January 2013	-	189,346	1,384,756	-	1,574,102
Depreciation charge in 2013	-	54,366	179,815	-	234,181
Disposals	-	(277)	(29,818)	-	(30,095)
Translation differences	-	(173)	(1,010)	-	(1,183)
As at 31 December 2013	-	243,262	1,533,743	-	1,777,005
Net book value					
As at 31 December 2013	931,934	1,880,964	989,711	38,344	3,840,953

CONSOLIDATED FINANCIAL REPORT

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(In thousands of Denar)

	Land	Buildings	Equipment	Construction in progress	Total
Cost or valuation					
At 1 January 2014	931,934	2,124,226	2,523,454	38,344	5,617,958
Additions	-	18,150	42,316	159,678	220,144
Transfer from construction in progress	14,040	46,241	119,775	(180,056)	-
Disposals	(9,251)	-	(37,892)	(1,259)	(48,402)
Revaluation	(138,312)	(284,114)	-	-	(422,426)
Translation differences	-	(830)	(5,497)	(52)	(6,379)
As at 31 December 2014	798,411	1,903,673	2,642,156	16,655	5,360,895
Accumulated depreciation					
At 1 January 2014	-	243,262	1,533,743	-	1,777,005
Depreciation charge in 2014	-	55,796	190,181	-	245,977
Disposals	-	-	(36,816)	-	(36,816)
Revaluation	-	(253,587)	-	-	(253,587)
Translation differences	-	(355)	(3,264)	-	(3,619)
As at 31 December 2014	-	45,116	1,683,844	-	1,728,960
Net book value					
As at 31 December 2014	798,411	1,858,557	958,312	16,655	3,631,935

Land and buildings were revaluated as at 31 December 2014 by independent appraiser. The revaluation surplus/deficit was credited to other reserves in shareholders' equity (Note 15).

7. INTANGIBLE ASSETS

(In thousands of Denar)

	Trademarks and licenses	Software and Internally generated intangibles	Other assets	Construction in progress	Total
Cost or valuation					
At 1 January 2013	323,844	430,652	36,378	152,454	943,328
Additions	551	760	8	221,172	222,491
Transfer from construction in progress	24,198	188,661	14,191	(227,050)	-
Disposals	-	(683)	-	(19)	(702)
Translation differences	(183)	(989)	152	(386)	(1,406)
As at 31 December 2013	348,410	618,401	50,729	146,171	1,163,711
Accumulated amortization					
At 1 January 2013	149,469	135,243	11,356	-	296,068
Charge for the year	60,231	41,557	6,291	-	108,079
Disposals	-	-	-	-	-
Translation differences	-	(276)	(168)	-	(444)
As at 31 December 2013	209,700	176,524	17,479	-	403,703
Net book value as at 31 December 2013	138,710	441,877	33,250	146,171	760,008
Cost or valuation					
At 1 January 2014	348,410	618,401	50,729	146,171	1,163,711
Additions	-	10,798	-	246,237	257,035
Transfer from construction in progress	27,301	214,724	7,173	(249,198)	-
Disposals	-	(563)	(2,580)	-	(3,143)
Translation differences	(528)	(3,040)	(328)	(32)	(3,928)
As at 31 December 2014	375,183	840,320	54,994	143,178	1,413,675
Accumulated amortization					
At 1 January 2014	209,700	176,524	17,479	-	403,703
Charge for the year	50,956	56,805	7,777	-	115,538
Disposals	-	(549)	-	-	(549)
Translation differences	(21)	(1,235)	(694)	-	(1,950)
As at 31 December 2014	260,635	231,545	24,562	-	516,742
Net book value as at 31 December 2014	114,548	608,775	30,432	143,178	896,933

CONSOLIDATED FINANCIAL REPORT

8. FINANCIAL INSTRUMENTS

Capital risk management

In order to be able to continue as going concern, the Group uses loans from banks and intends to maximize the return to the stakeholders through the optimization of the debt and equity balance.

The management of the Group reviews the capital structure on a regular basis.

(In thousands of Denar)

	2014	2013
Debt	515,203	619,442
Cash and cash equivalents	(479,300)	(408,928)
Net debt	35,903	210,514
Equity	7,670,822	7,547,843
Net debt to equity ratio	0.47%	2.79%

Categories of financial instruments and risk management objectives

The Group's principal financial instruments are cash and cash equivalents and trade receivables, as well as, borrowings and trade payables. In the normal course of operations, the Group is exposed to the following risks:

8. FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency in respect of sales of goods and services, purchase of raw materials, services and equipment and obtaining borrowings. The Group does not use any special financial instruments to hedge against this risk since no such instruments are in common use in the Republic of Macedonia.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

(In thousands of Denar)

	Liabilities		Assets	
	2014	2013	2014	2013
EUR	745,204	819,422	2,328,124	2,471,444
USD	185,540	87,421	69,418	54,212
CHF	39,107	35,090	2,537	3,656
Other currencies	80,850	76,950	1,107,303	890,634

The Group is mainly exposed to Euro currency.

The following table details the Group's sensitivity analysis to a 10% increase and decrease in the Macedonian Denar against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation

at the date of the Consolidated Statement of financial position. A positive number below indicates an increase in profit in Consolidated Income Statement, and negative number below indicates a decrease.

(In thousands of Denar)

	Increase of 10%		Decrease of 10%	
	2014	2013	2014	2013
EUR	(158,292)	(165,202)	158,292	165,202
USD	11,612	3,321	(11,612)	(3,321)
CHF	3,657	3,143	(3,657)	(3,143)
Other currencies	(102,645)	(81,368)	102,645	81,368
Profit and loss and equity	(245,668)	(240,106)	245,668	240,106

The Group's sensitivity to foreign currency has increased during the current period mainly due to combine effect of

increase of foreign trade receivables and foreign trade payables and increase of borrowings.

CONSOLIDATED FINANCIAL REPORT

8. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

The Group is exposed to interest risk arising from variable interest rate on borrowings, which depends on the changes of the financial market.

The sensitivity analysis below has been determined based on the exposure to interest rates as a result of a 10% increase or decrease for foreign borrowings at the balance sheet date. A positive number below indicates a decrease in profit and equity, and negative number below indicates an increase.

(In thousands of Denar)

	Increase of 10%		Decrease of 10%	
	2014	2013	2014	2013
Borrowings	3,074	4,226	(3,074)	(4,226)
Profit and loss and equity	(3,074)	(4,226)	3,074	4,226

If interest rates had been 10% higher the Group's profit for the year ended 31 December 2014 and retained earnings would decrease by Denar 3,074 thousands and opposite if

interest rates had been 10% lower the Group's profit for the year ended 31 December 2014 and retained earnings would increase by Denar 3,074 thousands.

8. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

The management of the Group has responsibility for maintenance adequate liquidity. In certain cases the Group uses short and long-term funding for liquidity purposes. The Group manages liquidity risk by maintaining adequate cash

reserves, by continuously monitoring forecast and actual cash flows. At any time, the Group can draw additional borrowings from banks with relatively low interest rates, which reduce further liquidity risk.

The following tables detail the Group's remaining contractual maturity for its financial liabilities:

(In thousands of Denar)

	Less than 1 month	1 - 3 months	3 - 12 months	12 - 60 months	Total
2014					
Trade payables	483,367	344,924	195,538	12,357	1,036,186
Borrowings	908	-	464,270	50,025	515,203
	484,275	344,924	659,808	62,382	1,551,389
	Less than 1 month	1 - 3 months	3 - 12 months	12 - 60 months	Total
2013					
Trade payables	618,235	298,356	145,279	4	1,061,874
Borrowings	207	-	564,031	55,204	619,442
	618,442	298,356	709,310	55,208	1,681,316

CONSOLIDATED FINANCIAL REPORT

8. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

The following tables detail the Group's remaining contractual maturity for its financial assets:

(In thousands of Denar)

	Less than 1 month	1 - 3 months	3 - 12 months	12 - 60 months	Total
2014					
Trade receivables	1,280,424	733,097	193,199	-	2,206,720
Available-for-sale financial assets	-	-	-	3,721	3,721
Cash and cash equivalents	479,300	-	-	-	479,300
	1,759,724	733,097	193,199	3,721	2,689,741
	Less than 1 month	1 - 3 months	3 - 12 months	12 - 60 months	Total
2013					
Trade receivables	1,317,809	633,151	245,478	-	2,196,438
Available-for-sale financial assets	-	-	-	3,191	3,191
Cash and cash equivalents	408,928	-	-	-	408,928
	1,726,737	633,151	245,478	3,191	2,608,557

Taxation risks

Macedonian tax legislation is subject to varying interpretations and changes that occur frequently. As a result, transactions may be challenged by tax authorities and the Group may be assessed additional taxes, penalties and interest, which can be significant. The period that remains opened for review by the tax and customs authorities with respect to tax liabilities is five years.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(In thousands of Denar)

	2014	2013
At 1 January	3,191	4,784
Additions	886	3,646
Disposals	483	(5,787)
Fair value adjustment	(839)	548
As at 31 December	3,721	3,191
Available-for-sale financial assets consist of:		
	2014	2013
Available-for-sale financial assets in non-quoted companies	2,144	1,951
Available-for-sale financial assets in quoted companies	1,577	932
Available-for-sale financial assets in bonds	-	308
Available-for-sale financial assets in non-related parties	3,721	3,191

Investments in securities available-for-sale consist of shares in companies and banks. Participation in their shares is below 10% of the registered equity.

Investments in bonds relates to state bonds for denationalization - third emission with 2% interest rate p.a. and maturity in 2014.

Available-for-sale financial assets, of quoted shares and bonds are presented by market values of identical assets. The unlisted shares that are not traded in an active market are stated at cost. The Group considers that cost approximates their fair value.

10. INVENTORIES

(In thousands of Denar)

	2014	2013
Raw materials	669,520	584,138
Spare parts	1,569	2,580
Tools and consumable stores	1,642	1,692
Work in progress	231,006	242,602
Finished goods	883,561	947,108
Trading goods	254,012	256,921
	2,041,310	2,035,041

CONSOLIDATED FINANCIAL REPORT

11. TRADE RECEIVABLES

(In thousands of Denar)

	2014	2013
Trade receivables	2,433,608	2,414,087
Less: Provision for impairment of receivables	(226,888)	(217,649)
Trade receivables - net	2,206,720	2,196,438
Changes in the provision are as follows:		
	2014	2013
At 1 January	217,649	169,249
Provision for the year	22,246	63,997
Direct write off	(6,901)	(5,129)
Collected bad and doubtful debts	(6,106)	(10,468)
As at 31 December	226,888	217,649
Ageing of impaired trade receivables are as follows		
	2014	2013
Up to 1 year	-	-
Over 1 year	226,888	217,649
As at 31 December	226,888	217,649

12. OTHER CURRENT ASSETS

(In thousands of Denar)

	2014	2013
Prepayments	45,903	46,455
Receivables from employees	15,106	16,278
Prepaid VAT	97,284	91,552
Other receivables	79,689	65,477
Less: non-current portion	(29,080)	(20,998)
	208,902	198,764

Non-current receivables relate to loans to employees and prepayments for property, plant and equipment that are due within 3 years.

The fair value of non-current other assets are as follows:

(In thousands of Denar)

	2014	2013
Other assets	29,080	20,998

The effective interest rate on non-current receivables was as follows:

	2014	2013
	3.36%	5.85%

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

Prepayments for VAT are refunded from the Tax authorities on regular basis.

13. CASH AND CASH EQUIVALENTS

(In thousands of Denar)

	2014	2013
Cash at banks	477,450	407,676
Cash in hands	1,684	1,086
Other	166	166
	479,300	408,928

CONSOLIDATED FINANCIAL REPORT

14. SHARE CAPITAL

(In thousands of Denar)

	Number of shares	Ordinary shares	Treasury shares	Total	Share premiums
At 1 January 2013	1,421,933	2,220,127	(14,779)	2,205,348	(1,127)
Transfer of reserves	-	-	-	-	1,127
As at 31 December 2013	1,421,933	2,220,127	(14,779)	2,205,348	-
Purchase of treasury shares	(5,321)	-	(8,253)	(8,253)	-
As at 31 December 2014	1,416,612	2,220,127	(23,032)	2,197,095	-

The total authorized number of ordinary shares is 1,431,353 with a par value of EUR 25.56 per share. All issued shares are fully paid.

During 2014 the Company acquired 5,321 of its own shares through Macedonian stock exchange and held as treasury shares. The total number of treasury shares is 14,741. The number of 3,287 shares is reserved for former proprietors of which 3,228 are priority shares and 59 are ordinary shares.

15. OTHER RESERVES

(In thousands of Denar)

	Transfer of reserves	Property, plant and equipment	Available for-sale investments	Fund for shares	Total
At 1 January 2013	(4,850)	1,285,238	(1,427)	245,638	1,524,599
Decrease	-	-	(548)	-	(548)
Transfer of reserves	(4,754)	-	-	(1,127)	(5,881)
Translation differences	-	(2,575)	-	-	(2,575)
As at 31 December 2013	(9,604)	1,282,663	(1,975)	244,511	1,515,595
Increase	-	-	839	-	839
Revaluation of assets	-	(168,839)	-	-	(168,839)
Purchase of treasury shares	-	-	-	(15,595)	(15,595)
Translation differences	-	1,230	-	-	1,230
As at 31 December 2014	(9,604)	1,115,054	(1,136)	228,916	1,333,230

The nature and rights of distribution of each class of other reserves are:

- Revaluation reserves for property, plant and equipment are created based on valuation of PP&E. These reserves are not distributable to shareholders.
- The reserves for available-for sales investments are created based on valuation of investments. These reserves are not distributable to shareholders.
- Funds for shares are created from retained earnings based on decision from Shareholders assembly and are distributable to shareholders if not utilized.

CONSOLIDATED FINANCIAL REPORT

16. BORROWINGS

(In thousands of Denar)

	2014	2013
Non-current borrowings	50,025	55,204
Current borrowings	465,178	564,238
	515,203	619,442

Bank borrowings in amount of Denar 227,321 thousands are secured by the Property plant and equipment in net book value of Denar 197,468 thousands.

The maturity of the borrowings is as follows:

(In thousands of Denar)

	2014	2013
Up to 1 year	465,178	564,238
Between 1 to 3 years	50,025	55,204
	515,203	619,442

The borrowings are denominated in following currencies:

(In thousands of Denar)

	2014	2013
EUR	220,418	204,357
USD	-	-
MKD	293,044	412,652
Other	1,741	2,433
	515,203	619,442

The effective interest rates at the balance sheet date were as follows:

(In %)

	31 December 2014		31 December 2013	
	EUR	MKD	EUR	MKD
Interest rates	6 month EURIBOR +3.75 – 5.5%	4.7 – 6.5%	6 month EURIBOR +3.75 – 4.9%	5.5 – 6.2%

17. RETIREMENT BENEFIT OBLIGATIONS

(In thousands of Denar)

	2014	2013
Retirement benefits	24,698	19,379

The retirement benefits are calculated based on legal obligation for payment of two monthly net salaries on the retirement date.

The amounts recognized in the Income statement are as follows:

(In thousands of Denar)

	2014	2013
Beginning of the year	19,379	20,670
Increase in calculation	5,383	-
Decrease in calculation	(64)	(1,291)
As at 31 December	24,698	19,379

The principal actuarial assumptions used were as follows:

(In %)

	2014	2013
Discount rate	3.95%	5.56%

CONSOLIDATED FINANCIAL REPORT

18. DEFERRED TAX

(In thousands of Denar)

	2014	2013
Deferred tax assets	(17,547)	(17,547)
Deferred tax liabilities	92	7,213
	(17,455)	(10,334)

Deferred income tax is determined using tax rate of 10%.

(In thousands of Denar)

	2014	2013
At 1 January	(10,334)	(7,897)
Net deferred tax in income statement	-	5,294
Realized deferred tax liabilities	(7,121)	(7,731)
As at 31 December	(17,455)	(10,344)

The movement in deferred tax assets and liabilities is as follows:

(In thousands of Denar)

	Accruals	Fair value	Total
At 1 January 2013	(7,897)	-	(7,897)
Charged to Income statement	5,294	-	5,294
Realized deferred tax liabilities	(7,731)	-	(7,731)
As at 31 December 2013	(10,334)	-	(10,334)
Charged to Income statement	-	-	-
Realized deferred tax liabilities	(7,121)	-	(7,121)
As at 31 December 2014	(17,455)	-	(17,455)

18. DEFERRED TAX (Continued)

The deferred income tax charged to Income statement during the year is as follows:

(In thousands of Denar)

	2014	2013
Impairment of trade receivables	-	(1,820)
Accrued expenses	-	7,114
	-	5,294

19. TRADE AND OTHER PAYABLES

(In thousands of Denar)

	2014	2013
Trade payables	1,036,186	1,061,874
Customer's prepayments	5,156	1,673
Payables to employees	71,582	60,904
Dividends	7,763	7,105
Other payables and accrued expenses	106,605	132,793
	1,227,292	1,264,349

CONSOLIDATED FINANCIAL REPORT

20. PROVISION FOR OTHER LIABILITIES AND CHARGES

(In thousands of Denar)

	2014	2013
Provision for retirement benefits	5,383	-
	5,383	-

21. OTHER INCOME

(In thousands of Denar)

	2014	2013
Collected written-off receivables	6,106	10,468
Interest income	20,078	9,673
Foreign exchange transaction gains	187,644	92,406
Other income	89,648	62,433
	303,476	174,980

22. OTHER EXPENSES

(In thousands of Denar)

	2014	2013
Interest expenses	444	2,016
Foreign exchange transaction loss	436,925	163,865
Other expenses	121,078	141,045
	558,447	306,926

23. EXPENSES BY NATURE

(In thousands of Denar)

	2014	2013
Raw materials	1,690,912	1,860,217
Employee benefit expense	1,404,310	1,362,660
Depreciation and amortization	361,515	342,260
Energy	161,774	185,980
Impairment of trade receivables	22,246	63,997
Transportation	158,667	142,037
Changes in the inventories	(33,228)	(168,138)
Cost of trading goods	1,264,744	1,107,909
Other expenses	1,330,918	1,353,221
	6,361,858	6,250,143

24. EMPLOYEE BENEFIT EXPENSE

(In thousands of Denar)

	2014	2013
Gross salaries	1,232,802	1,195,942
Other employees benefits	171,508	166,718
	1,404,310	1,362,660
Number of employees as at 31 December	1,542	1,488

CONSOLIDATED FINANCIAL REPORT

25. OPERATING LEASING

Operating leasing relates to rent of premises and vehicles. The lease term is between 3-5 years. The Group does not have option to re-purchase premises and vehicles.

(In thousands of Denar)

Minimum operating leasing	2014	2013
	49,903	49,549
	49,903	49,549
Future non-cancellable obligations	2014	2013
Up to 1 year	22,940	36,172
Between 2 to 5 years	59,029	57,216
	81,969	93,388

26. FINANCE EXPENSES

(In thousands of Denar)

	2014	2013
Net foreign exchange transaction gains/(losses) on borrowings	1,160	(1,968)
Interest expense on borrowings	(30,738)	(42,259)
	(29,578)	(44,227)

27. INCOME TAX

(In thousands of Denar)

	2014	2013
Current income tax	127,592	65,563
Net deferred income tax (Note 18)	-	5,294
	127,592	70,857

27. INCOME TAX (Continued)

The income tax differs from the theoretical amount that would arise using the tax rate applicable to profit as follows:

(In thousands of Denar)

	2014	2013
Profit before tax	746,046	671,283
Tax calculated at tax rate of 10%	74,604	-
Income not subject to tax	(3,015)	-
Expenses not deductible for tax purposes	58,146	66,166
Tax allowances	(1,538)	(603)
Net deferred income tax	(605)	5,294
Income tax	127,592	70,857

As a result of the anti-crisis measures, Income tax law in the Republic of Macedonia was amended in 2009, whereas the profit for the year ended 2009 is not taxable and the rate of 10% is applied only on the expenses not deductible for tax purposes.

Income tax law was amended in 2014, whereas the final tax is calculated at the rate of 10% on the profit reported in the income statement, adjusted for certain items as defined by the local tax legislation.

28. EARNINGS PER SHARE

(In Denar)

	2014	2013
Basic earnings per share		
Profit attributable to shareholders (In Denar)	618,454,482	600,426,217
Average number of shares	1,416,612	1,421,933
Basic earnings per share (in Denar)	436.57	422.26

CONSOLIDATED FINANCIAL REPORT

29. DIVIDENDS

The Group does not recognize the dividend payable before it is approved on the Annual General Meeting.

The dividends approved by shareholders on 7 April 2014 were Denar 286,271 thousands. Tax of paid dividend was amounting Denar 31,808 thousands. Approved dividends are paid and retained earnings are appropriately decreased.

30. COMMITMENTS

Capital expenditures contracted for acquisition of property, plant and equipment at balance sheet date but not yet incurred are in amount of Denar 2,429 thousands (2013: Denar 6,108 thousands).

31. CONTINGENCIES

The Group has contingent liabilities with respect to issued guaranties to third parties in the amount of Denar 37,275 thousands (2013: Denar 39,245 thousands).

32. RELATED PARTY TRANSACTIONS

The Group has no ultimate controlling party, the shares are widely held.

Key management compensations

No compensations were paid to the Management Board members. In 2014, the amount of Denar 4,208 thousands was paid to the Supervision Board members (2013: Denar 4,206 thousands). Total key management compensations amounting Denar 190,365 thousands (2013: Denar 180,549 thousands).

33. EXCHANGE RATES OF PRINCIPAL CURRENCIES

Closing rates:

	31.12.2014	31.12.2013
EUR	61.48	61.51
USD	50.56	44.63
CHF	51.12	50.18



CONTACTS

SUBSIDIARIES

ALKALOID AD Skopje

Blvd. Aleksandar Makedonski 12, 1000 Skopje;
R. Macedonia
Telephone: + 389 2 310 40 00
Facsimile: + 389 2 310 40 14
e-mail: alkaloid@alkaloid.com.mk
www.alkaloid.com.mk

CORPORATE CONTACTS

CHIEF EXECUTIVE OFFICER / MB PRESIDENT

Zhivko Mukaetov

Telephone: + 389 2 310 40 01
Facsimile: + 389 2 310 40 04
e-mail: zmukaetov@alkaloid.com.mk

Elefterija Davcheva

Personal Assistant to the CEO / MB President
Telephone: + 389 2 310 40 01
Facsimile: + 389 2 310 40 04
e-mail: edavceva@alkaloid.com.mk

FINANCES

Viktor Stojchevski

CFO / MB Member
Telephone: + 389 2 310 40 07
Facsimile: + 389 2 310 40 81
e-mail: vstojcevski@alkaloid.com.mk

SHAREHOLDERS, PROPERTY ISSUES

Gjorgi Jovanov

Director / MB Member
Tel: + 389 2 310 4 003
Facsimile: + 389 2 310 40 04
e-mail: gjovanov@alkaloid.com.mk

GENERAL AFFAIRS

Kire Icev

Director / MB Member
Telephone / Facsimile: + 389 2 310 40 43
e-mail: kicev@alkaloid.com.mk

INTERNAL AUDIT DEPARTMENT

Danilo Jovanovikj

Telephone: + 389 2 310 4 119
e-mail: djovanovic@alkaloid.com.mk

LOGISTICS

Zoran Kostovski

Telephone: + 389 2 310 40 35
Facsimile: + 389 2 310 40 36
e-mail: zkostovski@alkaloid.com.mk

PURCHASING, INVESTMENTS AND TRANSPORT

Dejan Krzhovski

Telephone: + 389 2 310 40 77
Facsimile: + 389 2 310 40 28
e-mail: dkrzovski@alkaloid.com.mk

QUALITY ASSURANCE

Miroslava Ilievska

Telephone: + 389 2 310 40 91
Facsimile: + 389 2 310 40 05
e-mail: milievska@alkaloid.com.mk

LEGAL AFFAIRS, ARCHIVE

Nikola Kolevski

Telephone: + 389 2 310 40 75
Facsimile: + 389 2 317 24 66
e-mail: nkolevski@alkaloid.com.mk

PERSONNEL AFFAIRS

Marija Malova

Telephone: + 389 2 310 4310

Facsimile: + 389 2 317 24 66

e-mail: mmalova@alkaloid.com.mk

HUMAN RESOURCES

Nikola Eftimov

Telephone: + 389 2 310 40 44

Facsimile: + 389 2 317 16 44

e-mail: neftimov@alkaloid.com.mk

INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

Nikola Dimovski

Telephone: + 389 2 310 40 57

e-mail: ndimovski@alkaloid.com.mk

MARKETING COMMUNICATIONS

Dushko Markovski

Telephone: + 389 2 310 40 26

Facsimile: + 389 2 317 16 44

e-mail: dmarkovski@alkaloid.com.mk

PC PHARMACEUTICALS

PRODUCTION PHARMACEUTICALS

Milkica Gligorova

Director / MB Member

Telephone/Fax: + 389 2 310 40 05

e-mail: mgligorova@alkaloid.com.mk

GLOBAL REGULATORY & MEDICAL AFFAIRS, DRUG SAFETY, INTELLECTUAL PROPERTY

Natasha Nasteva

Telephone: + 389 2 310 42 49

Facsimile: + 389 2 310 40 21

e-mail: nnasteva@alkaloid.com.mk

RESEARCH&DEVELOPMENT

Sonja Ugarkovikj

Telephone + 389 2 310 4 049

Facsimile: + 389 2 310 4 134

e-mail: sugarkovic@alkaloid.com.mk

PHARMACEUTICAL CORPORATE DEVELOPMENT

Milosh Radulovikj

Telephone: + 389 2 310 42 67

Facsimile: +389 2 310 42 25

e-mail: mradulovic@alkaloid.com.mk

OTC DIVISION, in-house projects

Aleksandar Hristovski

Telephone: + 389 2 310 41 38

Facsimile: +389 2 310 42 25

e-mail: ahristovski@alkaloid.com.mk

RX DIVISION, in-house projects

Snezhana Petrovska

Telephone: + 389 2 310 40 37

Facsimile: + 389 2 310 42 25

e-mail: spetrovska@alkaloid.com.mk

Bussiness Development Manager

Natasha Nikolovska

Telephone: + 389 2 310 43 72

Fax: + 389 2 310 42 25

e-mail: nnikolovska@alkaloid.com.mk

e-mail: business.development@alkaloid.com.mk

QUALITY CONTROL

Hristina Babunovska

Telephone: + 389 2 310 40 65

Facsimile: + 389 2 310 40 05

e-mail: hbabunovska@alkaloid.com.mk

SALES PHARMACEUTICALS

Emil Micajkov

Telephone: + 389 2 3104 388

e-mail: emicajkov@alkaloid.com.mk

SALES PHARMACEUTICALS/ALKALOID CONS/ SOUTH EASTERN EUROPE

Vladimir Indov

Telephone: + 389 2 310 4 061

e-mail: vindov@alkaloid.com.mk

SALES PHARMACEUTICALS/RUSSIA, UKRAINE, CIS

Tatjana Ivanoska Filipovska

Telephone: + 389 2 3104 068

e-mail: tivanoska@alkaloid.com.mk

Regional Operating Manager for the Republic of Macedonia

Biljana Taneva

Telephone: + 389 2 310 4 045

Facsimile: + 389 2 310 4 056

e-mail: btaneva@alkaloid.com.mk

Regional Operating Manager for Albania and Kosovo

Emira Qura

Telephone: + 389 2 310 40 53

Fax: + 389 2 310 42 25

e-mail: ekura@alkaloid.com.mk

Regional Operating Manager for Serbia, Montenegro, BiH

Ognjen Trajkovski

Telephone: + 389 2 310 40 53

Facsimile: + 389 2 310 42 25

e-mail: otrajkovski@alkaloid.com.mk

Regional Operating Manager for Russia, CIS and Ukraine

Elena Pehcevska/Kalina Naumovska

Telephone: + 389 2 310 40 22

Facsimile: + 389 2 310 42 25

e-mail: epehcevska@alkaloid.com.mk

e-mail: knaumovska@alkaloid.com.mk

Regional Operating Manager for the EU Countries

Maja Nojkova Belevska

Telephone: + 389 2 310 40 22

Facsimile: + 389 2 310 42 25

e-mail: mnojkova@alkaloid.com.mk

MEDICAL PROGRAM

Ilija Kovachevski

Telephone: + 389 2 310 40 74

Facsimile: + 389 2 310 40 27

e-mail: ikovacevski@alkaloid.com.mk

ALKALOID CONS LTD

Oliver Lazareski

Telephone: + 389 2 320 44 30

Facsimile: + 389 2 320 44 31

e-mail: olazareski@alkaloid.com.mk

BOTANICAL PHARMACY

Biljana Lazareska

Telephone: + 389 2 323 79 75

e-mail: blazareska@alkaloid.com.mk

PC CHEMICALS, COSMETICS & BOTANICALS

Nikola Mizo

Telephone: + 389 2 310 40 02

Facsimile: + 389 2 310 40 27

e-mail: nmizo@alkaloid.com.mk

SALES FMCG

Domestic market

Rosa Jovanovska

Telephone: + 389 2 310 40 42

Facsimile: + 389 2 317 55 31

e-mail: rjovanovska@alkaloid.com.mk

SALES FMCG

Export Sales

Darko Nanov

Telephone: + 389 2 310 40 33

Facsimile: + 389 2 310 40 27

e-mail: dnanov@alkaloid.com.mk

SALES CHEMISTRY

Ljube Danilovski

Telephone: + 389 2 310 40 19

Facsimile: + 389 2 310 40 27

e-mail: ljdanilovski@alkaloid.com.mk

PRODUCTION COSMETICS & R&D

Dobrila Sekulovska - Popovska

Telephone: + 389 2 203 79 29

Facsimile: + 389 2 203 72 16

e-mail: dsekulovska@alkaloid.com.mk

PRODUCTION BOTANICALS

Andrijana Muceva

Telephone / Facsimile + 389 2 246 15 61

e-mail: amuceva@alkaloid.com.mk

R&D BOTANICALS

Maja Stefkova

Telephone: + 389 2 2465 361

e-mail: mstefkova@alkaloid.com.mk

PRODUCTION CHEMISTRY (X-Ray Films and Hemodialysis solutions) & R&D

Filip Godzho

Telephone: + 389 2 203 79 53

e-mail: fgodjo@alkaloid.com.mk

SUBSIDIARIES ABROAD

UNITED STATES OF AMERICA Alkaloid USA LLC.

6535 West Campus Oval
Suite 130, New Albany,
Ohio 43054, USA
Telephone/Facsimile:
+ 1 614 939 9488; + 1 614 939 9498
e-mail: vstavroff@alkaloid.com.mk;
e-mail: vstavroff@alkaloidusa.com
Contact person: **Vera Stavroff**

SWITZERLAND Alkaloidpharm SA

Rue Georges-Jordil 4
1700 Fribourg, Switzerland
Telephone: + 41 26 323 41 90
Facsimile: + 41 26 323 41 72
e-mail: info@alkaloid.ch
Contact person: **Natasha Milkovska**

RUSSIAN FEDERATION ALKALOID-RUS LLC

33 Usacheva str. Bld 2. Office 9
119048 Moskow, Russia
Telephone / Facsimile: + 7495 502 92 97
e-mail: gatanasovski@alkaloid.com.mk
Contact person: **Goran Atanasovski**

SLOVENIA ALKALOID - INT d.o.o.

Slanrdova ulica 4,
1231 Ljubljana – Cnuce, Ljubljana, Slovenija
Telephone: + 386 1 3004 290
Facsimile: + 386 1 3004 291
e-mail: info@alkaloid.si
Contact person: **Emil Micajkov**

ALKALOID - FARM d.o.o.

Slanrdova ulica 4,
1231 Ljubljana – Cnuce, Ljubljana, Slovenija
Telephone: + 386 1 3004 290
Facsimile: + 386 1 3004 291
e-mail: alma.b@alkaloid.si
Contact person: **Alma Bunich**

ALKA-LAB d.o.o.

Celovška cesta 40a
1000 Ljubljana, Slovenija
Telephone: +386 1 777 11 20
Facsimile: + 386 1 777 11 21
e-mail: barbara.skvarc@alka-lab.si
Contact person: **Barbara Skvarch**

CROATIA Alkaloid d.o.o.

Ul. Grada Vukovara 226f
10000 Zagreb, Croatia
Telephone: + 385 16 311 920
Facsimile: + 385 16 311 922
e-mail: neven.sukarovski@alkaloid.hr
Contact person: **Neven Sukarovski**

SERBIA Alkaloid d.o.o.

Ul. Prahovska 3
11000 Beograd, Serbia
Telephone / Facsimile:
+ 381 11 3679 070
+ 381 11 3679 071
e-mail: office@alkaloid.co.rs
Contact person: **Igor Petrov**

ALKALOID WHOLESALES

d.o.o. Beograd

Ul. Prahovska 3

11000 Beograd, Serbia

Telephone / Facsimile:

+ 381 11 3679 070

+ 381 11 3679 071

e-mail: veledrogerija@alkaloid.co.rs

Contact person: **Igor Petrov**

MONTENEGRO

Alkaloid d.o.o. Podgorica

Ul. Svetlane Kane Radević br.3/ V

81 000 Podgorica, Crna Gora

Telephone / Facsimile:

+ 382 20 246-207

+382 20 246-208

e-mail: alkaloid@t-com.me

Contact person: **Vladislav Stanishich**

BOSNIA AND HERZEGOVINA

Alkaloid d.o.o.

Isevica sokak 4-b

Saraevo, BiH

Telephone / Facsimile:

+ 387 33 475 790

+ 387 33 475 791

e-mail: alkaloid@bih.net.ba

Contact person: **Boris Jotevski**

BULGARIA

Alkaloid e.o.o.d Sofia

2. Rikardo Vakarini str. Fl.3 ap 10

1404 Sofia, Bulgaria

Telephone: + 35 92 80 81 081

Facsimile: + 35 92 95 89 367

e-mail: office@alkaloid.bg

Contact person: **Goran Kadiev**

ALBANIA

ALKALOID Rep. Office

„Rruga Kavajes” pallati 2R Construction, 3 A20

1001 Tirana, Albania

Telephone: +35542422955

e-mail: ahavziu@alkaloid.al

Contact person: **Agron Havziu**

KOSOVO

ALK&KOS Pharmaceuticals

Magjistrálja Prishtine – Shkup (km. i shtate)

Laplje Selo,

10000 Prishtina, Kosovo

Tel. + 381 38 606 0081

e-mail: iveseli@alkaloid.com.mk

Contact person: **Ilir Veseli**

UKRAINE

Alkaloid Rep. Office, Ukraine

Of. 81, 39/41 Horiva str.,

04071, Kiev, Ukraine

Telephone: + 38(044)393 21 21

Facsimile: + 38(044) 393 21 20

e-mail: zadamcevski@alkaloid.com.ua

Contact person: **Zharko Adamchevski**

TURKEY

Alkaloid ilac Tic Ltd Sti

Vizyon park A1/9, 29 ekim cad, Yenibosna merkez mah,

Bahcelievler,


Istanbul, Turkey

Telephone + 90 212 603 10 70

Facsimile: + 90 212 369 12 85

e-mail: ademiraga@alkaloid.com.mk

Contact person: **Arben Demiraga**



All mentions and descriptions of Alkaloid products are intended solely to inform the shareholders of the general nature of Group's activities and are not intended to indicate the advisability of administering any product in any particular instance.

Produced by:
ALKALOID AD Skopje

Design by:
Concept Marketing Communications

Circulation:
300 copies

Skopje
September, 2015



ALKALOID
SKOPJE

PHARMACEUTICAL
CHEMICAL
COSMETIC INDUSTRY

alkaloid.com.mk