

I. Consolidated report

1. Executive summary

Sales in the first half 2016 increased by 1.8% in HUF and remained virtually unchanged in EUR terms when compared to the same period 2015. The EURHUF average exchange rate weakened by 1.8% during the first half 2016 compared with the same period of the previous year. Profit from operations decreased by 11.5% in HUF terms (13.1% in EUR terms) as a result of a decline experienced at gross profit level combined with higher sales and marketing expenses.

2. Main financial indicators and exchange rates

	HUFm			EURm		
	2016	2015	Change	2016	2015	Change
	6 months to June			6 months to June		
			%			%
Total revenues	187,272	183,953	1.8	598.9	599.1	-0.0
Gross profit	111,669	116,670	-4.3	357.1	380.0	-6.0
Gross margin %	59.6	63.4		59.6	63.4	
Profit from operations	28,001	31,649	-11.5	89.6	103.1	-13.1
Operating margin %	15.0	17.2		15.0	17.2	
Net financial income	4,536	7,920	-42.7	14.5	25.8	-43.8
Profit before income tax	33,533	40,576	-17.4	107.2	132.2	-18.9
Profit attributable to owners of the parent	30,295	37,508	-19.2	96.9	122.2	-20.7
Profit margin attributable to owners of the parent %	16.2	20.4		16.2	20.4	
EBITDA	43,950	47,434	-7.3	140.7	154.6	-9.0
Basic EPS (HUF, EUR)	163	203	-19.7	0.52	0.66	-21.2
Average exchange rate (EURHUF)*				312.67	307.03	1.8

Note: * Current and historical average exchange rates are shown on page 9.

3. Sales by region

	HUFm				EURm			
	2016	2015	Change	%	2016	2015	Change	%
	6 months to June				6 months to June			
Hungary	20,176	19,506	670	3.4	64.5	63.5	1.0	1.6
EU*	76,733	70,368	6,365	9.0	245.4	229.1	16.3	7.1
Poland	11,751	11,225	526	4.7	37.6	36.6	1.0	2.7
Romania	27,675	22,761	4,914	21.6	88.5	74.1	14.4	19.4
EU 10	11,987	11,928	59	0.5	38.3	38.8	-0.5	-1.3
EU 15	25,320	24,454	866	3.5	81.0	79.6	1.4	1.8
CIS	60,068	64,754	-4,686	-7.2	192.1	210.9	-18.8	-8.9
Russia	40,131	42,517	-2,386	-5.6	128.3	138.5	-10.2	-7.4
Ukraine	4,079	3,883	196	5.0	13.1	12.6	0.5	4.0
Other CIS	15,858	18,354	-2,496	-13.6	50.7	59.8	-9.1	-15.2
USA	6,987	8,650	-1,663	-19.2	22.3	28.2	-5.9	-20.9
China	11,032	9,053	1,979	21.9	35.3	29.5	5.8	19.7
Latin America	4,555	4,408	147	3.3	14.6	14.4	0.2	1.4
RoW	7,721	7,214	507	7.0	24.7	23.5	1.2	5.1
Total	187,272	183,953	3,319	1.8	598.9	599.1	-0.2	-0.0

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

4. Sales report

Sales amounted to HUF 187,272 million (EUR 598.9 million) in the six months to June 2016, representing a HUF 3,319 million (1.8%) increase, or virtually unchanged in EUR terms (EUR 0.2 million or 0.0% decline) when compared with the first six months of 2015. A positive performance was recorded in certain of the markets of the Group.

In **Hungary** sales totalled HUF 20,176 million (EUR 64.5 million) in the first half 2016, a HUF 670 million (EUR 1.0 million) increase compared to the levels reported in the same period 2015.

International sales amounted to EUR 534.4 million in the six months to June 2016, virtually unchanged (a decline of EUR 1.2 million or 0.2%) when compared to the first half of the previous year. Higher sales performances achieved in Romania, in China, in certain countries of the EU15 and Rest of the World regions and in Poland were offset by lower sales levels recorded in Russia, in Other CIS region and in the USA. Sales to the CIS region altogether totalled EUR 192.1 million (US\$ 214.6 million), EUR 18.8 million (8.9%) or US\$ 20.3 million (8.6%) lower when compared to the same period 2015. By the end of the first half 2016 a 25.0% year-on-year devaluation in the average exchange rate of the Rouble against the Euro had occurred in Russia, which was partly offset by an increase in Rouble denominated turnover. In the six months to June 2016 the Group reported a sales decline of EUR 10.2 million in Russia when compared to the base period. Sales levels reported in RUB terms increased by RUB 1,373.6 million to RUB 10,032.8 million due to certain price increases implemented in February 2016. Following a two year period of severe decline in Ukrainian sales for the first half 2016 we reported a slight increase, US\$ 0.5 million (EUR 0.5 million) on this market, although from a very low base. A EUR 9.1 million (US\$ 10.0 million) decline characterised turnover in Other CIS republics as a result of devaluing currencies and weak market performance recorded in a number of CIS republics. Turnover of the Wholesaling business segment in the CIS region decreased by EUR 1.3 million in the first half 2016, equivalent to a decline of US\$ 1.3 million. The higher turnover of EUR 245.4 million, representing a growth of EUR 16.3 million or 7.1%, realised in the EU region resulted primarily from increasing sales levels achieved by the Wholesale and Retail business in Romania, from sales growth reported in the EU15 region and from a good performance of the core segment in Poland which altogether more than offset marginally lower turnover experienced in the EU10 region. The Wholesale and Retail business segment in Romania recorded an increase of RON 71.5 million (EUR 15.0 million) when compared to the same period 2015. Sales recorded in the USA decreased by US\$ 6.4 million (in EUR terms by EUR 5.9 million) to US\$ 25.0 million (EUR 22.3 million) when compared to the same period of the previous year. Royalty income of US\$ 1.4 million (EUR 1.2 million) related to first quarter 2016 sales performance of cariprazine (**Vraylar™**) contributed to the sales levels achieved in the USA. Turnover reported in China amounted to EUR 35.3 million in the six months to June 2016. Turnover in Latin American countries at US\$ 16.3 million in the reported period, remained virtually unchanged (increased by US\$ 0.3 million) when compared to the base period. Sales reported in the Rest of the World region reached EUR 24.7 million in the first half 2016, EUR 1.2 million higher than in the same period of the previous year.

5. Costs, expenses, profits

Cost of sales amounted to HUF 75,603 million (EUR 241.8 million) in the first half 2016, an increase of HUF 8,320 million (EUR 22.7 million) when compared to the same period in 2015. Amortization of the acquired intangible asset **Esmya** amounted to HUF 1,435 million in the six months to June 2016 period.

Gross margin in the first half 2016 at 59.6% declined from the 63.4% level reported for the same period of the previous year. The declining Rouble exchange rate against both Euro and HUF resulted in falling HUF denominated Russian turnover, while lower sales levels recorded in Other CIS region and in the USA, together with decreasing sales levels of Women's Healthcare products,

and an increase of share of turnover of the lower margin wholesale and retail segment in Romania have all negatively impacted gross margin. Higher sales levels recorded in China could only partly offset the combination of the negative factors detailed above.

Sales and marketing expenses amounted to HUF 54,383 million (EUR 173.9 million) in the first six months to June 2016, an increase of 5.8% in HUF terms (3.9% in EUR terms) when compared with the first half 2015. Higher marketing costs incurred on the EU15, on the Chinese and on the Latin American markets were mostly offset by a decrease of such expenses in Russia, in Ukraine and in Other CIS region (notably sales force reductions in the former two countries) and the devaluation of the Rouble and the currencies of some of the countries belonging to the Other CIS region. The proportion of S&M expenses to sales was 29.0% in the reported period. Amortisation of the marketing and intellectual property rights of the OC portfolio acquired from Grünenthal in the amount of HUF 2,201 million represented 1.2% of sales achieved in the reported period. After adjustment for this amortization, S&M expenses represented 27.8% of turnover. The relevant base period figure was adjusted in accordance with the practice established in the 2015 Annual Report in order to harmonise the presentation of our Latin American subsidiaries with other trading subsidiaries of the Group. Consequently the Administrative and General expenses of these subsidiaries are presented as sales and marketing expenses.

The annual registration fee payable in respect of medical representatives in Hungary amounted to HUF 253 million (EUR 0.8 million) in the first half 2016. In accordance with the regulations we expect to offset the tax payable in 2016 on this ground by 90% of the tax liability of the same kind incurred during 2015.

Administrative and general expenses totalled HUF 9,316 million (EUR 29.8 million) in the first half 2016, representing a 0.9% increase in HUF terms (a 1.0% decline in EUR terms) when compared with the level recorded in the first half of the previous year.

Research and development expenses represented 10.5% of sales and decreased by 5.9% in HUF terms (7.6% in EUR terms) to HUF 19,757 million (EUR 63.2 million) during the reported period. These expenses include the ongoing clinical trials being carried out in the field of biotechnology together with those managed in co-operation with Allergan (earlier Forest / Actavis). R&D expenses of the Group also include such costs at the operations of GR Polska and GR Romania.

Other income and other expenses (net) decreased to an expense of HUF 212 million (EUR 0.6 million) in the first half 2016 when compared to an expense of HUF 3,416 million (EUR 11.1 million) recorded in the base period. A one-off income amounting to HUF 3,453 million (EUR 11.0 million) was recorded in connection with the 100% acquisition of the joint venture Gedeon Richter Rxmidas JV Co. Ltd. engaged in the trading of OTC products on the Chinese market. Having applied the accounting standards for business combinations as established by IFRS 3 the 50% stake held prior to the transaction was reassessed at fair value at the time of the acquisition (22 January 2016) including the gains proceeding thereof in the Income Statement.

In the six months to June 2016 an expense of HUF 369 million (EUR 1.2 million) was accounted for in respect of the 20% tax obligation payable with regard to turnover related to reimbursed sales in Hungary. In accordance with the regulations we expect to offset the tax payable in 2016 on this ground by 90% of the tax liability of the same kind incurred during 2015.

During the reported period other income and expenses include liabilities amounting to HUF 3,142 million (EUR 10.0 million) in respect of the claw-back regimes effective in Romania, Germany, France, Spain, Portugal, Belgium, Italy, Bulgaria and Latvia.

Profit from operations decreased by 11.5% in HUF terms (13.1% in EUR terms) and amounted to HUF 28,001 million (EUR 89.6 million) in the first half 2016. The decrease resulted from a decline experienced at gross profit level impacted primarily by the year-on-year 25% EURRUB devaluation together with higher sales and marketing expenses having been partly offset by a one-off reassessment-related income and lower R&D expenses. The consolidated operating margin decreased to 15.0% during the reported period from the 17.2% reported in the same period 2015. When excluding the impact of the one-off reassessment item in connection with the acquisition of Gedeon Richter Rxmidas JV Co. Ltd., the operating margin was 13.1%

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

	HUFm			EURm		
	2016	2015	Change	2016	2015	Change
	6 months to June			6 months to June		
Unrealised financial items	3,419	3,983	-564	10.9	13.0	-2.1
Exchange gain on trade receivables and trade payables	3,030	2,549	481	9.7	8.3	1.4
(Loss)/gain on foreign currency loans receivable	(44)	2,567	-2,611	(0.1)	8.4	-8.5
Period end foreign exchange translation difference of borrowings	(393)	(24)	-369	(1.3)	(0.1)	-1.2
Exchange gain/(loss) on other currency related items	1,412	(532)	1,944	4.5	(1.7)	6.2
Unwinding of discounted value related to contingent-deferred purchase price liabilities	(457)	(551)	94	(1.5)	(1.8)	0.3
Result of unrealised forward exchange contracts	(129)	(26)	-103	(0.4)	(0.1)	-0.3
Realised financial items	1,117	3,937	-2,820	3.6	12.8	-9.2
Gain on forward exchange contracts	-	658	-658	-	2.1	-2.1
Exchange gain realised on trade receivables and trade payables	932	1,322	-390	3.0	4.3	-1.3
Foreign exchange difference on conversion of cash	(564)	918	-1,482	(1.8)	3.0	-4.8
Dividend income	3	1	2	0.0	0.0	0.0
Interest income	1,106	1,515	-409	3.5	4.9	-1.4
Interest expense	(448)	(628)	180	(1.4)	(2.0)	0.6
Other financial items	88	151	-63	0.3	0.5	-0.2
Net financial income	4,536	7,920	-3,384	14.5	25.8	-11.3

The net financial gain in the first half 2016 totalled HUF 4,536 million (EUR 14.5 million), reflecting a decline of HUF 3,384 million (EUR 11.3 million) when compared to a net financial gain of HUF 7,920 million (EUR 25.8 million) recorded in the base period.

At the end of each reporting period foreign currency related assets and liabilities are routinely reassessed with the change in value being reflected as unrealised financial items. The total impact of such reassessments amounted to a HUF 4,005 million (EUR 12.8 million) gain at the 30 June 2016, HUF 555 million (EUR 2.1 million) lower when compared with the HUF 4,560 million (EUR 14.9 million) gain reported in the same period of 2015. We accounted for a HUF 457 million (EUR 1.5 million) expense in respect of an unwinding of the discounted value of a liability related to the deferred purchase prices of acquisitions realised.

The net financial gain reported on the realised financial items in the six months to June 2016, reflects the impact of exchange gains realised on trade receivables and trade payables amounting to HUF 932 million (EUR 3.0 million). The gain incurred primarily as a consequence to the RUBHUF exchange rate which improved in the second quarter when compared to 31 December 2015 while the other currencies did not experience significant exchange rate movements. The conversion of FOREX related items resulted in a HUF 564 million (EUR 1.8 million) loss and net interest income contributed by HUF 658 million (EUR 2.1 million) to the results achieved.

Share of profit of associates and joint ventures amounted to HUF 996 million (EUR 3.1 million) in the first half 2016.

Profit before income tax amounted to HUF 33,533 million (EUR 107.2 million) in the six months to June 2016, a decline of HUF 7,043 million (EUR 25.0 million) compared with the same period in 2015.

By virtue of Hungarian Tax Regulations, the **corporate tax** rate applied at the Parent Company of the Group (incorporated in Hungary) can be offset by a tax allowance linked to direct costs incurred on R&D activities. In addition, the Parent Company is also entitled to a tax allowance in respect of the capital expenditure programme carried out at the Debrecen biosimilar manufacturing site. Other members of the Group are subject to customary tax regulations effective in their respective countries of incorporation. During the first half 2016 the Group accounted for HUF 1,277 million (EUR 4.1 million) in respect of income and deferred tax together with HUF 1,883 million (EUR 6.0 million) local business tax and innovation fee.

Profit for the period was HUF 30,373 million (EUR 97.1 million), HUF 7,008 million (EUR 24.7 million) lower than the profit for the period realised in the first half 2015.

Profit attributable to owners of the parent decreased by HUF 7,213 million (EUR 25.3 million) during the reported period to HUF 30,295 million (EUR 96.9 million). It decreased to 16.2% of sales compared with the 20.4% reported in the same period of the previous year.

6. Earnings per share

Basic earnings per share totalled HUF 163 per share (EUR 0.52 per share) in the reported period, a decrease of 19.7% (21.2% in EUR terms), when compared to HUF 203 per share (EUR 0.66 per share) recorded in the base period.

Diluted earnings per share totalled HUF 163 per share (EUR 0.52 per share) in the reported period, a decrease of 19.7% (21.2% in EUR terms), when compared to HUF 203 per share (EUR 0.66 per share) recorded in the base period.

The weighted average number of shares in issue used for the EPS calculation on June 30 2016 was 185,595,097 while at the end of the base period it was 184,975,118.

7. Balance sheet

Total assets and total shareholders' equity and liabilities of the Group amounted to HUF 774,351 million on 30 June 2016, HUF 25,157 million, or 3.4% higher than that reported at 31 December 2015.

Non-current assets amounted to HUF 441,772 million on 30 June 2016, 1.4% above the amount as of 31 December 2015. The increase in the level of the Goodwill resulted from the reassessment

made in respect of the Chinese acquisition together with the revaluation of the goodwill accounted for in respect of the acquisitions realised in the preceding years. As the allocation of the purchase price of the Chinese acquisition was not completed by the publication date of this interim report the Company has included the unallocated amounts in the Goodwill presented. The level of Other intangible assets decreased as result of the amortization and the foreign exchange difference at period-end related to the Esmya intangible asset. The level of Other financial assets increased as a result of a change in the fair value of Richter's investment in its Russian wholesaler and retail Group, Protek.

Current assets amounted to HUF 332,579 million and increased by HUF 19,179 million (6.1%) when compared to the level reported on 31 December 2015. As a result of the redemption upon maturity of certain government bonds investments in securities declined which together with a positive Cash flow realised by the Group resulted in an increase in Cash and cash equivalents. Higher Inventories and Trade receivables also contributed to the increase recorded in the level of Current assets.

Capital and reserves of the Group increased by 3.6% and amounted to HUF 642,816 million when compared to the balance as at 31 December 2015. Retained earnings increased by HUF 16,876 million and amounted to HUF 579,898 million.

Non-current liabilities of the Group on 30 June 2016 at HUF 56,880 million were HUF 8 million higher than the levels as at the end of the previous year.

Current liabilities of the Group at HUF 74,655 million on 30 June 2016 were HUF 2,922 million higher than their level reported on 31 December 2015. The increase was a result of contradictory impacts, with a decline in Borrowings and Trade payables having been more than offset by higher Other payables and accruals during the reported period.

8. Capital expenditure

Capital expenditure for the Group including payments for intangible assets totalled HUF 11,160 million in the six months to June 2016 when compared to HUF 8,379 million reported for the same period 2015.

9. Corporate matters

9.1 Information regarding Richter shares

9.1.1 The number of shares in issue at 30 June 2016 was unchanged compared to 31 March 2016, i.e. 186,374,860 shares.

9.1.2 The number of shares held by the Parent company in Treasury decreased during the first half of 2016.

	Ordinary shares				
	30 June 2016	31 March 2016	31 December 2015	30 September 2015	30 June 2015
Number	87,588	108,353	101,371	178,885	173,513
Book value (HUF '000)	473,358	587,217	549,820	751,791	728,634

The Company purchased 50,000 ordinary shares from its affiliated company Gedeon Richter Investment Management Limited during June 2016. The number of shares held by the Parent

Company in Treasury thus increased, but there were no changes in the number of shares held in Treasury on Group level.

On 30 June 2016 the Group's subsidiaries held a total of 660,284 ordinary Richter shares.

In accordance with a repurchase obligation related to employee share bonuses, the Company repurchased 3,612 shares from employees who resigned from the Parent company during the second quarter 2016.

Based on a decision of the Board of Directors, 149,433 shares held by the Company in treasury were granted in June 2016 to employees participating in a bonus share programme and to other employees who rendered outstanding performance.

In the second quarter 2016 Richter purchased 75,056 treasury shares on the OTC market.

The total number of Company shares at Group level held in Treasury at 30 June 2016 was 747,872.

9.2 Share ownership structure

The shareholder structure at 30 June 2016 is presented in detail in the following table:

Ownership	Ordinary shares Number	Voting rights %	Share capital %
Domestic ownership	59,596,528	32.11	31.98
State ownership total	47,051,817	25.35	25.25
out of which MNV Zrt.	47,051,668	25.35	25.25
out of which Municipality	149	0.00	0.00
Institutional investors	6,106,661	3.29	3.28
Retail investors	6,438,050	3.47	3.45
International ownership	125,996,044	67.87	67.60
Institutional investors	125,124,773	67.40	67.13
out of which Aberdeen Asset Mgmt. Plc.	18,243,530	9.83	9.79
Retail investors	871,271	0.47	0.47
Treasury shares*	747,872	0.00	0.40
Undisclosed ownership	34,416	0.02	0.02
Share capital	186,374,860	100.00	100.00

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

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

9.3 Extraordinary announcements

- 9.3.1** On 9 May 2016 Gedeon Richter Plc. and Allergan Plc. announced positive results from Venus I, one of two pivotal Phase III clinical trials evaluating the efficacy and safety of ulipristal acetate in women with uterine fibroids. Phase III study met all co-primary and secondary endpoints and achieved statistically significant results.
- 9.3.2** On 30 June 2016 Gedeon Richter Plc. announced the acquisition of Finox Holding for an amount of CHF 190 million. Finox Holding is a privately held Swiss biotech company focused on development and commercialisation of innovative and cost effective products addressing female fertility. Finox Holding product, **Bemfola**[®] is a recombinant-human Follicle Stimulating Hormone (r-hFSH) which was developed as a first biosimilar to **Gonal-f**[®], an established reference product.
- 9.3.3** On 1 July 2016 Gedeon Richter Plc. informed its shareholders that with effect from the day of release it has established its Biotechnological Business Unit managed by Dr. Christiane Hanke-Harloff.
- 9.3.4** On 8 July 2016 Gedeon Richter Plc. announced that all the conditions of the closing were met, consequently the acquisition of Finox Holding was completed.

10. Historical exchange rates

10.1 At period end

	30.06.2016	31.03.2016	31.12.2015	30.09.2015	30.06.2015
EURHUF	316.16	314.16	313.12	313.32	315.04
US\$HUF	284.29	276.62	286.63	279.05	282.75
RUBHUF	4.43	4.09	3.88	4.26	5.07
EURRUB	71.37	76.81	80.70	73.55	62.14
EURUS\$	1.11	1.14	1.09	1.12	1.11

10.2 Average

	2016 H1	2016 Q1	2015 M12	2015 M9	2015 H1
EURHUF	312.67	311.98	309.67	308.82	307.03
US\$HUF	279.95	283.12	279.16	277.39	275.73
RUBHUF	4.00	3.77	4.70	4.78	4.91
EURRUB	78.17	82.75	65.89	64.61	62.53
EURUS\$	1.12	1.10	1.11	1.11	1.11

Company name: Gedeon Richter Plc.
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 Sector: Pharmaceutical
 Reporting period: January-June 2016

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Balance Sheet

	30 June 2016 Unaudited HUFm	31 December 2015 Audited HUFm	Change %
ASSETS	774,351	749,194	3.4
Non-current assets	441,772	435,794	1.4
Property, plant and equipment	176,848	175,355	0.9
Goodwill	71,005	64,888	9.4
Other intangible assets	146,139	150,827	-3.1
Investments in associates and joint ventures	7,197	7,140	0.8
Other financial assets	29,511	26,414	11.7
Deferred tax assets	6,703	7,487	-10.5
Loans receivable	4,369	3,683	18.6
Current assets	332,579	313,400	6.1
Inventories	78,865	70,051	12.6
Trade receivables	100,897	92,539	9.0
Other current assets	12,656	13,927	-9.1
Investments in securities	20	3,970	-99.5
Current tax assets	284	539	-47.3
Cash and cash equivalents	139,857	132,374	5.7
EQUITY AND LIABILITIES	774,351	749,194	3.4
Capital and reserves	642,816	620,589	3.6
Share capital	18,638	18,638	0.0
Treasury shares	(2,923)	(3,206)	-8.8
Share premium	15,214	15,214	0.0
Capital reserves	3,475	3,475	0.0
Foreign currency translation reserves	18,548	16,478	12.6
Revaluation reserve for available for sale investments	6,255	3,323	88.2
Retained earnings	579,898	563,022	3.0
Non-controlling interest	3,711	3,645	1.8
Non-current liabilities	56,880	56,872	0.0
Borrowings	37,359	37,188	0.5
Deferred tax liability	8,738	8,939	-2.2
Other non-current liabilities and accruals	7,915	7,817	1.3
Provisions	2,868	2,928	-2.0
Current liabilities	74,655	71,733	4.1
Borrowings	3,952	6,523	-39.4
Trade payables	32,523	38,209	-14.9
Current tax liabilities	406	425	-4.5
Other current liabilities and accruals	36,835	24,669	49.3
Provisions	939	1,907	-50.8

Prepared in accordance with IAS 34 Interim Financial Reporting.

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Consolidated statement of changes in equity

HUFm	Share capital	Share premium	Capital reserves	Treasury shares	Foreign currency translation reserves	Retained earnings	Revaluation reserve for available for sale investments	Attributable to owners of the parent	Non-controlling interest	Total
Balance at 31 December 2015	18,638	15,214	3,475	(3,206)	16,478	563,022	3,323	616,944	3,645	620,589
Profit for the period	-	-	-	-	-	30,295	-	30,295	78	30,373
Exchange differences arising on translation of foreign operations	-	-	-	-	2,208	-	-	2,208	(7)	2,201
Exchange differences arising on translation of associates and joint ventures	-	-	-	-	(138)	-	-	(138)	-	(138)
Revaluation for available for sale investments	-	-	-	-	-	-	2,932	2,932	-	2,932
Comprehensive income at 30 June 2016	-	-	-	-	2,070	30,295	2,932	35,297	71	35,368
Net treasury shares transferred and purchased	-	-	-	283	-	-	-	283	-	283
Ordinary share dividend for 2015	-	-	-	-	-	(13,419)	-	(13,419)	-	(13,419)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(5)	(5)
Balance at 30 June 2016	18,638	15,214	3,475	(2,923)	18,548	579,898	6,255	639,105	3,711	642,816

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Income Statement

For the year ended 31 December 2015 Audited HUFm		For the period ended 30 June		
		2016 Unaudited HUFm	2015 Unaudited* HUFm	Change %
365,220	Total revenues	187,272	183,953	1.8
(143,761)	Cost of sales	(75,603)	(67,283)	12.4
221,459	Gross profit	111,669	116,670	-4.3
(98,310)	Sales and marketing expenses	(54,383)	(51,378)	5.8
(19,397)	Administration and general expenses	(9,316)	(9,236)	0.9
(34,822)	Research and development expenses	(19,757)	(20,991)	-5.9
(1,398)	Other income and other expenses (net)	(212)	(3,416)	-93.8
67,532	Profit from operations	28,001	31,649	-11.5
24,230	Finance income	13,316	25,507	-47.8
(32,537)	Finance cost	(8,780)	(17,587)	-50.1
(8,307)	Net financial income/(loss)	4,536	7,920	-42.7
1,502	Share of profit of associates and joint ventures	996	1,007	-1.1
60,727	Profit before income tax	33,533	40,576	-17.4
(2,332)	Income and deferred tax	(1,277)	(1,439)	-11.3
(3,850)	Local business tax and innovation contribution	(1,883)	(1,756)	7.2
54,545	Profit for the period	30,373	37,381	-18.7
	Profit attributable to:			
54,277	Owners of the parent	30,295	37,508	-19.2
268	Non-controlling interest	78	(127)	n.a.
Statement of comprehensive income				
54,545	Profit for the period	30,373	37,381	-18.7
	Actuarial loss on retirement defined benefit plans	-	-	n.a.
(22)	Items that will not be reclassified to profit or loss	-	-	n.a.
	Exchange differences arising on translation of foreign operations	2,201	19,329	-88.6
	Exchange differences arising on translation of associates and joint ventures	(138)	60	n.a.
1,447	Revaluation for available for sale investments	2,932	343	754.8
	Items that may be subsequently reclassified to profit or loss	4,995	19,732	-74.7
8,655	Other comprehensive income	4,995	19,732	-74.7
63,200	Total comprehensive income	35,368	57,113	-38.1
	Attributable to:			
62,818	Owners of the parent	35,297	57,109	-38.2
382	Non-controlling interest	71	4	n.a.
	HUF Earnings per share (EPS)	HUF	HUF	%
292	Basic	163	203	-19.7
292	Diluted	163	203	-19.7

Note: * The relevant base period figure was adjusted in accordance with the practice established in the 2015 Annual Report in order to harmonise the presentation of our Latin American subsidiaries with other trading subsidiaries of the Group. Consequently the Administrative and General expenses of these subsidiaries are presented as Sales and marketing expenses.

Prepared in accordance with IAS 34 Interim Financial Reporting.

Company name: Gedeon Richter Plc.
 Company address: 1103 Budapest, Gyömrői út 19-21., Hungary
 Sector: Pharmaceutical
 Reporting period: January-June 2016

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 Fax: +36-1-261-2158
 E-mail address: investor.relations@richter.hu
 Investor relations manager: Katalin Ördög

Income Statement

For the year ended 31 December		For the period ended 30 June		
2015 Audited EURm		2016 Unaudited EURm	2015 Unaudited*	Change %
			EURm	
1,179.4	Total revenues	598.9	599.1	0.0
(464.3)	Cost of sales	(241.8)	(219.1)	10.4
715.1	Gross profit	357.1	380.0	-6.0
(317.5)	Sales and marketing expenses	(173.9)	(167.3)	3.9
(62.6)	Administration and general expenses	(29.8)	(30.1)	-1.0
(112.4)	Research and development expenses	(63.2)	(68.4)	-7.6
(4.5)	Other income and other expenses (net)	(0.6)	(11.1)	-94.6
218.1	Profit from operations	89.6	103.1	-13.1
78.3	Finance income	42.6	83.1	-48.7
(105.1)	Finance cost	(28.1)	(57.3)	-51.0
(26.8)	Net financial income/(loss)	14.5	25.8	-43.8
4.8	Share of profit of associates and joint ventures	3.1	3.3	-6.1
196.1	Profit before income tax	107.2	132.2	-18.9
(7.6)	Income and deferred tax	(4.1)	(4.7)	-12.8
(12.4)	Local business tax and innovation contribution	(6.0)	(5.7)	5.3
176.1	Profit for the period	97.1	121.8	-20.3
	Profit attributable to:			
175.3	Owners of the parent	96.9	122.2	-20.7
0.8	Non-controlling interest	0.2	(0.4)	n.a.
309.67	Average exchange rate (EURHUF)	312.67	307.03	1.8
	Statement of comprehensive income			
176.1	Profit for the period	97.1	121.8	-20.3
(0.1)	Actuarial loss on retirement defined benefit plans	-	-	n.a.
(0.1)	Items that will not be reclassified to profit or loss	-	-	n.a.
23.2	Exchange differences arising on translation of foreign operations	7.0	62.9	-88.9
0.2	Exchange differences arising on translation of associates and joint ventures	(0.4)	0.2	n.a.
4.7	Revaluation for available for sale investments	9.4	1.0	840.0
28.1	Items that may be subsequently reclassified to profit or loss	16.0	64.1	-75.0
28.0	Other comprehensive income	16.0	64.1	-75.0
204.1	Total comprehensive income	113.1	185.9	-39.2
	Attributable to:			
202.9	Owners of the parent	112.9	185.9	-39.3
1.2	Non-controlling interest	0.2	0.0	n.a.
	EUR Earnings per share (EPS)	EUR	EUR	%
0.94	Basic	0.52	0.66	-21.2
0.94	Diluted	0.52	0.66	-21.2

Note: * The relevant base period figure was adjusted in accordance with the practice established in the 2015 Annual Report in order to harmonise the presentation of our Latin American subsidiaries with other trading subsidiaries of the Group. Consequently the Administrative and General expenses of these subsidiaries are presented as Sales and marketing expenses.

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Income Statement

	April-June 3 months					
	2016	2015*	Change	2016	2015*	Change
	HUFm	HUFm	%	EURm	EURm	%
Total revenues	97,928	96,278	1.7	312.5	315.0	-0.8
Cost of sales	(39,868)	(35,049)	13.7	(127.2)	(114.7)	10.9
Gross profit	58,060	61,229	-5.2	185.3	200.3	-7.5
Sales and marketing expenses	(27,951)	(25,576)	9.3	(89.2)	(83.7)	6.6
Administration and general expenses	(4,786)	(4,775)	0.2	(15.3)	(15.6)	-1.9
Research and development expenses	(9,874)	(10,099)	-2.2	(31.6)	(33.1)	-4.5
Other income and other expenses (net)	(2,253)	(2,980)	-24.4	(7.1)	(9.7)	-26.8
Profit from operations	13,196	17,799	-25.9	42.1	58.2	-27.7
Finance income	7,812	10,260	-23.9	25.0	33.7	-25.8
Finance cost	(2,873)	(4,602)	-37.6	(9.2)	(15.2)	-39.5
Net financial income	4,939	5,658	-12.7	15.8	18.5	-14.6
Share of profit of associates and joint ventures	749	708	5.8	2.3	2.3	0.0
Profit before income tax	18,884	24,165	-21.9	60.2	79.0	-23.8
Income and deferred tax	344	(906)	n.a.	1.1	(3.0)	n.a.
Local business tax and innovation contribution	(942)	(877)	7.4	(2.9)	(2.8)	3.6
Profit for the period	18,286	22,382	-18.3	58.4	73.2	-20.2
Profit attributable to:						
Owners of the parent	18,104	22,464	-19.4	57.8	73.4	-21.2
Non-controlling interest	182	(82)	n.a.	0.6	(0.2)	n.a.
Average exchange rate (EURHUF)				313.12	305.77	2.4
Earnings per share (EPS)	HUF	HUF	%	EUR	EUR	%
Basic	97	122	-20.5	0.31	0.40	-22.5
Diluted	97	122	-20.5	0.31	0.40	-22.5

Note: * The relevant base period figure was adjusted in accordance with the practice established in the 2015 Annual Report in order to harmonise the presentation of our Latin American subsidiaries with other trading subsidiaries of the Group. Consequently the Administrative and General expenses of these subsidiaries are presented as Sales and marketing expenses.

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Cash flow Statement

For the year ended 31 December		For the period ended 30 June	
2015 Audited HUFm		2016 Unaudited HUFm	2015 Unaudited HUFm
Operating activities			
54,277	Profit attributable to owners of the parent	30,295	37,508
31,227	Depreciation and amortisation	15,946	15,784
(1,582)	Non cash items accounted through Total Comprehensive Income	(4,880)	(871)
(243)	Period end foreign exchange translation difference of borrowings	393	24
(1,482)	Net interest and dividend income	(661)	(888)
6,182	Income tax recognised through Income Statement	3,160	3,195
158	Changes in provision for defined benefit plans	(38)	-
(830)	(Increase)/decrease on changes of property, plant and equipment and intangible assets	(128)	50
3,484	Impairment /(reversal of impairment) recognised on intangible assets	4	(569)
4,260	Expense recognised in respect of equity-settled share-based payments	320	-
Movements in working capital			
2,773	(Increase) / decrease in trade and other receivables	(4,012)	(7,851)
(3,599)	Increase in inventories	(8,814)	(11,274)
7,231	Increase in trade payables and other current and non-current liabilities	11,077	10,293
(1,160)	Interest expense	(448)	(628)
(5,649)	Income tax paid	(2,400)	(2,041)
95,047	Net cash flow from operating activities	39,814	42,732
Investing activities			
(27,708)	Payments for property, plant and equipment	(10,252)	(6,694)
(5,594)	Payments for intangible assets	(908)	(1,685)
1,332	Proceeds from disposal of property, plant and equipment	267	1,042
(2,043)	Payments to acquire financial assets	61	(2,037)
18,429	Proceeds on sale or redemption on maturity of financial assets	3,950	9
(836)	Disbursement of loans	(569)	(1,130)
2,641	Interest income	1,106	1,515
1	Dividend income	3	1
(25,322)	Net cash outflow on acquisition of subsidiaries	(9,487)	(25,058)
(39,100)	Net cash flow to investing activities	(15,829)	(34,037)
Financing activities			
(2,542)	Purchase of treasury shares	(37)	(253)
(6,155)	Dividend paid	(13,392)	(6,125)
(14,628)	Repayment of borrowings (-)	(2,799)	(6,615)
2	Proceeds from borrowings (+)	-	-
(23,323)	Net cash flow to financing activities	(16,228)	(12,993)
32,624	Net increase / (decrease) in cash and cash equivalents	7,757	(4,298)
97,940	Cash and cash equivalents at beginning of year	132,374	97,940
1,810	Effect of foreign exchange rate changes on the balances held in foreign currencies	(274)	1,774
132,374	Cash and cash equivalents at end of period	139,857	95,416

Prepared in accordance with IAS 34 Interim Financial Reporting.

II. Report by business segment

1. Business segment information

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

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

HUFm	Pharmaceuticals		Wholesale and retail		Other		Eliminations		Group total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	6 months to June		6 months to June		6 months to June		6 months to June		6 months to June	
Total revenues	157,291	158,682	34,039	29,229	2,230	2,106	(6,288)	(6,064)	187,272	183,953
Gross profit	107,606	112,530	3,580	3,949	337	242	146	(51)	111,669	116,670
Profit from operations	27,995	31,121	373	595	108	39	(475)	(106)	28,001	31,649
Share of profit of associates and joint ventures	(242)	408	1,316	813	11	(43)	(89)	(171)	996	1,007
Number of employees at period end	9,890	9,662	1,466	1,425	342	344	-	-	11,698	11,431

2. Pharmaceuticals sales report

Sales in the pharmaceutical segment in the first half 2016 totalled HUF 157,291 million (EUR 503.0 million), representing a decrease of 0.9% (2.7% in EUR terms) compared to the same period of last year.

2.1 Pharmaceutical sales by region in currencies of invoicing

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

	Currency (million units)	2016 6 months to June	2015	Change %
Hungary	HUF	19,737	19,143	3.1
EU *	EUR	171.5	168.8	1.6
Poland	PLN	164.3	151.1	8.7
Romania	RON	65.9	61.0	8.0
EU 10	EUR	38.3	38.8	-1.3
EU 15	EUR	81.0	79.6	1.8
CIS	EUR	176.8	194.6	-9.1
	US\$	197.5	216.8	-8.9
Russia	RUB	10,032.8	8,658.8	15.9
Ukraine	US\$	14.5	14.0	3.6
Other CIS	EUR	35.5	43.6	-18.6
	US\$	39.6	48.6	-18.5
USA	US\$	25.0	31.4	-20.4
China	EUR	35.3	29.5	19.7
Latin America	US\$	10.4	11.0	-5.5
RoW	EUR	24.7	23.5	5.1
	US\$	27.5	26.1	5.4

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

2.2 Pharmaceutical sales by region

	HUFm				EURm			
	2016	2015	Change	%	2016	2015	Change	%
	6 months to June				6 months to June			
Hungary	19,737	19,143	594	3.1	63.1	62.3	0.8	1.3
EU *	53,636	51,826	1,810	3.5	171.5	168.8	2.7	1.6
Poland	11,751	11,225	526	4.7	37.6	36.6	1.0	2.7
Romania	4,584	4,229	355	8.4	14.6	13.8	0.8	5.8
EU 10	11,987	11,928	59	0.5	38.3	38.8	-0.5	-1.3
EU 15	25,314	24,444	870	3.6	81.0	79.6	1.4	1.8
CIS	55,289	59,762	-4,473	-7.5	176.8	194.6	-17.8	-9.1
Russia	40,131	42,515	-2,384	-5.6	128.3	138.5	-10.2	-7.4
Ukraine	4,054	3,854	200	5.2	13.0	12.5	0.5	4.0
Other CIS	11,104	13,393	-2,289	-17.1	35.5	43.6	-8.1	-18.6
USA	6,987	8,650	-1,663	-19.2	22.3	28.2	-5.9	-20.9
China	11,032	9,053	1,979	21.9	35.3	29.5	5.8	19.7
Latin America	2,898	3,034	-136	-4.5	9.3	9.9	-0.6	-6.1
RoW	7,712	7,214	498	6.9	24.7	23.5	1.2	5.1
Total	157,291	158,682	-1,391	-0.9	503.0	516.8	-13.8	-2.7
Average exchange rate (EURHUF)					312.67	307.03	5.64	1.8

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

A list of products referred to in this report is presented in Appendix 1 on page 31.

2.2.1 Hungary

In **Hungary** sales totalled HUF 19,737 million (EUR 63.1 million) in the first half 2016, a slight increase of 3.1% in HUF terms (1.3% in EUR terms) compared with the same period in 2015. A number of products showed significant sales growth during the reported period, notably **Suprax**, **Esmya**[®], **Dipankrin** and **Emetron**.

Marginal changes to the price regulation system did not impact materially the Group's overall performance in the reported period. However, a tender system first introduced in 2011 aiming towards semestral price adjustments adversely affected several major Richter brands in Hungary. Price cuts applied with effect from 1 April 2016 are expected to amount to an annual revenue loss of approximately HUF 17 million.

Based on the latest available market audit (IMS) data for the six months to June 2016 the pharmaceutical market increased by 4.6% year-on-year. Retail sales of Richter products increased by 5.8% compared to the same period 2015 and the Company is now the third player on the Hungarian pharmaceutical market with a 5.4% share. When considering only the market for retail prescription drugs, Richter qualifies for second place with a market share of 7.4%.

2.2.2 Hungarian regulatory environment

The Hungarian market has stabilised, albeit at significantly lower levels than a few years ago. Extraordinary taxes levied on the industry are reclaimable at a maximum rate of 90% subject to adequate R&D expenditures and employment levels being maintained. Given its high level of such expenses Richter qualifies for this maximum allowance. Furthermore by virtue of the law, the R&D linked allowances may be carried over across calendar years.

The methodology for the tax calculations related to healthcare budget overspending was amended with effect from 1 January 2016 which may lead to additional tax becoming payable in the case of potential overspending.

2.2.3 European Union

Sales in the **European Union**, excluding Hungary, amounted to EUR 171.5 million in the first six months of 2016, EUR 2.7 million higher when compared to the levels recorded in the same period of 2015.

In **Poland** the Group recorded sales of PLN 164.3 million (EUR 37.6 million) in the first half 2016, an increase of PLN 13.2 million (EUR 1.0 million) compared to the same period of 2015. Due to a strong flu season, sales of our leading product, **Groprinosin** substantially increased during the reported period. Furthermore a number of products recorded good sales growth during the reported period, notably **Grofibrat (Grofibrat S)**, **Cavinton** and **Mydocalm**. Nevertheless, sales continued to be adversely impacted by price erosion on some of our generic products and parallel imports of certain other products.

In **Romania** sales amounted to RON 65.9 million (EUR 14.6 million) in the first half 2016, an increase of RON 4.9 million (EUR 0.8 million) when compared to the base period. Wholesalers in expectation of an announced price decrease had maintained low stock levels during the first half 2015. Sales of **Cavinton**, **Ossica**, the range of **oral contraceptives** and **Fasconal** contributed the most to the sales growth achieved during the reported period.

In the **EU10** region sales totalled EUR 38.3 million in the first six months of 2016, 1.3% lower when compared to base period. This region represented 22% of total EU sales of the Group's pharmaceutical segment.

In the **Czech Republic** turnover in the six months to June 2016 amounted to CZK 321.2 million (EUR 11.9 million), an increase of CZK 10.0 million (EUR 0.6 million) compared to the sales level achieved in the base period. The sales increase was mainly attributable to **Lunaldin** and **Mertenil**. In **Slovakia** turnover amounted to EUR 10.2 million in the first half 2016, EUR 1.2 million higher compared with the same period in 2015. Sales growth of **Esmya[®]**, **Aflamil**, **Suprax** and **Lunaldin** contributed the most to the higher turnover achieved during the reported period. In the **Baltic States** sales amounted to EUR 6.1 million in the first half 2016, EUR 2.4 million lower when compared to the same period 2015. The substantial year-on-year decline was primarily due to the termination in March 2015 of the licensing agreement for **Avonex** and a change implemented in our distribution channel in these countries with effect from 1 January 2016. In **Bulgaria** sales totalled EUR 8.1 million in the reported period, representing a virtually flat performance (EUR 0.1 million lower) when compared with turnover achieved in the base period.

In the **EU15** region sales amounted to EUR 81.0 million in the first six months to June 2016, 1.8% higher in EUR terms than in the corresponding period of the previous year. This region contributed 47% of total EU pharmaceutical sales.

In **Germany**, the largest market for the Group in the region, the reported sales of EUR 28.2 million in the first half of 2016 was EUR 2.8 million lower when compared to the base period. According to IMS market intelligence the overall OC market has also declined in Germany. In **Italy** the Group's turnover amounted to EUR 10.5 million, EUR 1.7 million higher than in the base period. Sales in **France** amounted to EUR 10.1 million in the first half 2016, representing an EUR 0.7 million decline compared with the same period in 2015. Turnover in **Spain** totalled EUR 9.8 million in the first half 2016, exceeding the base period by EUR 2.9 million, primarily due to higher **Esmya**[®] sales. Sales in the **Benelux countries** were EUR 6.8 million, while turnover in **Portugal** amounted to EUR 6.2 million, EUR 2.6 million higher than in the base period. Sales in the **UK** were EUR 6.0 million in the reported period.

2.2.4 CIS

Sales to the **CIS** in the first half 2016 totalled EUR 176.8 million, a decline of EUR 17.8 million (9.1%) compared to the sales levels achieved in the same period 2015. A slightly increasing turnover recorded in Ukraine could not materially impact the sales decline which occurred in Other CIS republics and the EUR denominated sales drop incurred in Russia as a result of the adverse FX environment.

According to the World Bank's latest monthly report on **Russia**, the country's real GDP contracted by 1.2% year-on-year by the end of the first quarter 2016. Following a depreciation of the Rouble against the Euro prevailing until mid February and peaking at EURRUB 90, the Russian currency strengthened up to just above EURRUB 70 by the end of the first half 2016. Oil prices gained some strength at the beginning of the year, but the first half ended with falling oil prices again and with a maintained, high core inflation rate at 7.5%. Real disposable income of the population contracted by 5.7% by the end of the first half, projecting difficult times ahead for a macroeconomic recovery.

Sales to Russia totalled RUB 10,032.8 million in the six months to June 2016 period, RUB 1,374.0 million higher when compared to the same period in 2015. The higher turnover achieved arose through both a price increase which was applied during the first quarter 2016 to certain products of our portfolio (which, when projected across the entire range of products, resulted in an average 4% price increase) and growing volumes. By the end of the first half 2016 the year-on-year devaluation (25.0%) of the average exchange rate of the Rouble against the Euro impacted negatively our performance in Russia. Sales levels during the reported period at EUR 128.3 million were EUR 10.2 million below the turnover reported in the same period 2015. Good sales performances of the range of **oral contraceptives**, **Mydocalm**, **Verospiron**, **Airtal** and **Cavinton** contributed the most to higher RUB turnover achieved in Russia.

Sales to **Ukraine** amounted to US\$ 14.5 million (EUR 13.0 million) in the first half 2016, an increase of US\$ 0.5 million (EUR 0.5 million) compared to the turnover reported for the same period 2015, although from a very low base. A more strict receivables control and voluntary shipment restrictions were implemented by the Company as a reaction to the political turmoil and the deep economic recession which have characterised the country since the beginning of 2014. By the end of the reported period, the local currency, UAH, had devalued against the US\$ by 19.4% year-on-year.

Sales in **Other CIS republics** totalled EUR 35.5 million (US\$ 39.6 million) in the six months to June 2016, representing a decrease of EUR 8.1 million (US\$ 9.0 million) compared to the same period in 2015. Oil and natural gas prices have been falling over the past two years which combined with currency devaluations in most of the countries have negatively impacted the overall performance of this region. Notwithstanding this economic background, sales growth was achieved when reported in Euro terms in **Uzbekistan**, although from a low base. In mid August 2015 the Kazakh Tenge (KZT) was floated which resulted in a more volatile FOREX environment. Sales declines resulting from deteriorating exchange rates and weaker market performance prevailed, in most of the countries of the region, primarily in **Belarus** and in **Kazakhstan** with the latter experiencing a sharply declining (-83.8%) EURKZT average exchange rate by the end of the first half 2016 when compared with the base period.

2.2.5 USA

Sales in the **USA** totalled US\$ 25.0 million (EUR 22.3 million) in the first six months of 2016, a decrease of 20.4% in US\$ terms (20.9% in EUR terms). Revenues resulting from the oral contraceptive related profit sharing agreements declined substantially due to increased generic competition.

Royalty income of US\$ 1.4 million (EUR 1.2 million) related to the first quarter 2016 sales performance of cariprazine (**VraylarTM**) contributed to the sales levels achieved during the reported period.

2.2.6 China

Sales to **China** amounted to EUR 35.3 million in the first six months of 2016, EUR 5.8 million higher than in the base period, primarily due to higher sales of **Cavinton**, **Panangin** and to the turnover of our emergency contraceptive, **Escapelle**.

2.2.7 Latin America

Sales in Latin American countries amounted to US\$ 10.4 million in the first half 2016, a decline of US\$ 0.6 million when compared to the same period 2015. Devaluation of local currencies had a negative effect on market developments.

2.2.8 Rest of the World

Sales in these countries amounted to EUR 24.7 million (US\$ 27.5 million) in the first six months of 2016, an increase of EUR 1.2 million (US\$ 1.4 million) when compared to the base period.

2.3 New product launches

In line with the strategic aim of renewing the product portfolio in all markets Richter introduced the following new products either in the second quarter 2016 or in the period between the end of the reporting period and the publication of this quarterly report:

Country	Product	Active pharmaceutical ingredient	Therapeutic area
Hungary	Antaclast*	cilostazol	Antithrombotic
Romania	Lisvy®*	gestodene + EE**	Women's Healthcare, contraceptive (patch)
	Lenzetto®*	estradiol	Hormone replacement therapy (spray)
Slovakia	Lenzetto®*	estradiol	Hormone replacement therapy (spray)
Germany	Lenzetto®*	estradiol	Hormone replacement therapy (spray)
Finland	Lisvy®*	gestodene + EE**	Women's Healthcare, contraceptive (patch)
Netherlands	Lisvy®*	gestodene + EE**	Women's Healthcare, contraceptive (patch)
Azerbaijan	Amlodipine- Perindopril-Richter	amlodipine+perindopril	Cardiovascular, anti-hypertensive
Moldova	Belara	chlormadinone + EE**	Women's Healthcare, oral contraceptive
Mongolia	Esmya®	ulipristal acetate	Women's Healthcare, uterine myoma
Switzerland	Lisvy®*	gestodene + EE**	Women's Healthcare, contraceptive (patch)

Notes: * Licensed-in product
** Ethinyl estradiol

2.4 Women's Healthcare

In recognition of the strategic importance to the Company of this therapeutic area a brief presentation of the Women's Healthcare (WH) franchise is presented below. This therapeutic area includes the following product groups and therapeutic indications: oral contraceptives (OC) and contraceptive patch, emergency contraceptives (EC), contraceptive devices (CD); menopausal care, pregnancy care and obstetrics, gynaecological infections and other gynaecological conditions. Please refer to Appendix 2 on pages 32-33 for a comprehensive list of major products belonging to this therapeutic field.

2.4.1 Women's Healthcare sales by region

	HUFm				EURm			
	2016	2015	Change		2016	2015	Change	
	6 months to June				6 months to June			
				%				%
Hungary	2,889	2,869	20	0.7	9.2	9.3	-0.1	-1.1
EU *	27,572	26,835	737	2.7	88.2	87.4	0.8	0.9
Poland	1,645	1,917	-272	-14.2	5.3	6.2	-0.9	-14.5
Romania	1,091	913	178	19.5	3.5	3.0	0.5	16.7
EU 10	3,573	3,585	-12	-0.3	11.4	11.7	-0.3	-2.6
EU 15	21,263	20,420	843	4.1	68.0	66.5	1.5	2.3
CIS	13,835	14,576	-741	-5.1	44.3	47.4	-3.1	-6.5
Russia	11,241	11,318	-77	-0.7	36.0	36.8	-0.8	-2.2
Ukraine	900	1,064	-164	-15.4	2.9	3.5	-0.6	-17.1
Other CIS	1,694	2,194	-500	-22.8	5.4	7.1	-1.7	-23.9
USA	5,423	6,853	-1,430	-20.9	17.3	22.4	-5.1	-22.8
China	2,292	2,440	-148	-6.1	7.3	7.9	-0.6	-7.6
Latin America	2,412	2,315	97	4.2	7.7	7.6	0.1	1.3
RoW	3,147	2,609	538	20.6	10.1	8.5	1.6	18.8
Total	57,570	58,497	-927	-1.6	184.1	190.5	-6.4	-3.4
Average exchange rate (EUR/HUF)					312.67	307.03	5.64	1.8

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

2.4.2 Sales

Women's healthcare sales totalled EUR 184.1 million in the first half 2016, a decrease of EUR 6.4 million compared to the levels reported in the six months to June 2015. Total turnover generated from Richter's range of own developed oral contraceptive portfolio amounted to EUR 108.5 million, EUR 13.3 million lower when compared to the same period of 2015, primarily due to the weakening EUR/RUB exchange rate combined with the increasing generic competition experienced in the USA.

Sales arising from the OC portfolio acquired in 2010 amounted to EUR 23.8 million, EUR 1.9 million below the base period figure. **Esmya**[®] reported total sales were EUR 31.1 million in the first half 2016, compared to the EUR 21.2 million turnover recorded in the base period.

2.4.2.1 Hungary

In **Hungary** WH sales totalled HUF 2,889 million (EUR 9.2 million) in the first half 2016, representing a near flat (HUF 20 million increase or EUR 0.1 million decline) performance when compared to the levels reported in the same period 2015. **Esmya**[®] was launched in Hungary in May 2012 and the product was granted 90% reimbursed status in February 2013, while for the intermittent use in the long term management of uterine fibroids of **Esmya**[®] it was granted in September 2015. Its turnover during the reported period amounted to HUF 503 million (EUR 1.6 million).

2.4.2.2 European Union

Women's Healthcare sales in the **European Union**, excluding Hungary, amounted to EUR 88.2 million in the six months to June 2016, increasing marginally (by EUR 0.8 million) when compared to the base period.

Sales of **Esmya**[®], our original product, were EUR 25.8 million during the reported period, EUR 8.3 million above the base period sales levels.

Sales of WH products represented 51% of the turnover in this region during the first half 2016.

WH sales in **Poland** decreased by PLN 2.8 million to PLN 23.0 million (EUR 5.3 million) in the first six months of 2016 as a consequence of high levels of parallel import and an environment of sustained price erosion. Turnover in **Romania** increased by RON 2.5 million and amounted to RON 15.7 million (EUR 3.5 million) during the reported period. In the **EU10** region WH sales totalled EUR 11.4 million in the first half 2016, EUR 0.3 million below the levels recorded in the same period of the previous year. With respect to WH sales the EU10 countries altogether represented 13% of the Group's WH sales to the whole EU region.

In the member states of the **EU15** region WH sales amounted to EUR 68.0 million in the six months to June 2016, showing an increase of EUR 1.5 million when compared to the levels recorded in the same period of the previous year. This region contributed 77% of total EU WH sales.

In **Germany** Richter Group reported women's healthcare sales of EUR 23.0 million, EUR 2.4 million lower than the levels reported in the first half 2015. While the overall OC market and our line of oral contraceptives declined during the reported period, sales of **Esmya**[®] nearly doubled by the end of the six months to June 2016 year-on-year.

In **Italy**, Richter Group achieved women's healthcare sales of EUR 9.4 million in the reported period, EUR 1.8 million above the levels reported in the same period of 2015.

In **Spain** the Group's turnover arising from WH products amounted to EUR 9.1 million, EUR 3.1 million higher than in the base period. The year-on-year increase was primarily due to higher sales levels of **Esmya**[®].

In **France** the Group's turnover arising from WH products amounted to EUR 8.3 million, EUR 0.6 million lower compared with the first half of 2015.

In **Portugal** the Group achieved EUR 6.0 million sales of WH products, EUR 3.2 million above the turnover recorded in the six months to June 2015.

In the **UK** the Group realised a turnover of EUR 4.9 million, EUR 2.4 million below that reported in the base period. A high stock level built up during the base period had the effect of distorting the reported performance of our OC sales on this market, nevertheless sales of **Esmya**[®] grew in the first half 2016.

Sales of WH products represented 84% of the turnover in the EU15 region during the first half 2016, a creditable performance by the recently established sales force teams.

2.4.2.3 CIS

WH sales to the **CIS** in the six months to June 2016 totalled EUR 44.3 million representing a decline of EUR 3.1 million from the sales levels achieved in the base period. In RUB terms sales to **Russia**, within the region, reached RUB 2,810.2 million, showing an increase of RUB 505.2 million. Currency devaluations and declining purchasing power experienced both in Ukraine and in the Other CIS republics negatively impacted Women's Healthcare turnover.

Turnover of WH products represented 25% of total CIS sales in the reported period.

2.4.2.4 USA

WH sales in the **USA** totalled US\$ 19.4 million (EUR 17.3 million) in the first six months of 2016, a decrease of US\$ 5.5 million (EUR 5.1 million) when compared to the same period in the previous year. Revenues resulting from the oral contraceptive related profit sharing agreements declined substantially due to increased generic competition.

Sales of WH products, including the profit sharing related to drospirenone, represented 78% of US sales.

2.4.2.5 China

Sales of WH totalled EUR 7.3 million in the first half 2016, EUR 0.6 million below the levels achieved in the same period 2015.

2.4.2.6 Latin America

Sales of WH totalled US\$ 8.6 million in the first half 2016, US\$ 0.2 million higher than in the base period 2015.

2.4.2.7 Rest of the World

WH sales in these countries amounted to EUR 10.1 million (US\$ 11.2 million) in the six months to June 2016, an increase of EUR 1.6 million, (US\$ 1.7 million) when compared to the first half of 2015.

2.4.3 Expanding the women’s healthcare product portfolio

2.4.3.1 Original research and product launch – Esmya®

Esmya® reported total sales were EUR 31.1 million in the first half 2016, compared to the EUR 21.2 million turnover recorded in the same period of the previous year.

Following its launch in the first quarter 2016 in Ecuador, in the second quarter 2016 Esmya® was also launched in Colombia, Iceland, Mexico and Mongolia. Esmya® was granted marketing authorizations in the second quarter 2016 in the Dominican Republic and in Costa Rica.

Following its approval for the long term management of uterine fibroids, Esmya® was granted reimbursed status by the end of the first half 2016 in the following countries: Germany, the Netherlands, Denmark, Sweden, Hungary, Estonia, Slovakia, Austria, Portugal, Slovenia, Spain, UK, Finland and Luxembourg.

2.4.3.2 Original product launches – Lisvy®, Lenzetto®

In line with the strategic aim of widening the product portfolio Lisvy®, a transdermal contraceptive patch licensed-in from Bayer HealthCare was launched in Hungary, in Germany, in Austria, in the Czech Republic, in Poland, in Italy, in Slovakia and in Portugal during 2015. In the first quarter 2016 Lisvy® was introduced in all three Baltic states, in Belgium, in Luxembourg, in France and in Spain. Subsequently, in the second quarter the product was also launched in Romania, in Finland, in the Netherlands and in Switzerland. Total turnover achieved by Lisvy® during the reported period amounted to EUR 2.5 million.

Lenzetto®, the estradiol spray for treating menopause symptoms, licensed in from Acrux, an Australian company, also received multiple marketing approvals in European territories during September 2015. By the end of the first half 2016, Lenzetto® was launched in the following countries: Poland, Czech Republic, Hungary, Croatia, Latvia, Lithuania, Romania, Slovakia and Germany.

2.4.3.3 Development – generic product launches

In line with the strategic aim of renewing the product portfolio in all markets Belara, an oral contraceptive was introduced in Moldova during the second quarter 2016.

Focusing on the meaningful widening of our core Women’s Healthcare portfolio Gedeon Richter acquired the global rights (except for the USA) of the innovative biosimilar product Bemfola®, addressing female fertility. Bemfola®, a recombinant-human Follicle Stimulating Hormone (r-hFSH) was developed by Finox as a biosimilar to Gonal-f®, an established reference product. Bemfola® was the first biosimilar r-hFSH launched in Europe. It is currently commercialised in the European Union, in Israel, in the Middle East and in Australia. The product has gained significant market share since its initial introduction in the second quarter 2014. Finox represents a unique opportunity for Richter to widen its core Women’s Healthcare franchise, it further emphasises its commitment to the biosimilar business and it further strengthens Richter’s presence in main European markets. This acquisition offers Richter the opportunity to establish its presence in the female fertility therapeutic area – a major growth market.

2.5 Central Nervous System – Vraylar™ (cariprazine)

As a consequence of the marketing approval granted in September 2015 by the Food and Drug Administration to Richter's original compound, cariprazine co-developed with Allergan (earlier Forest / Actavis) the product was launched in the USA by Allergan under the brand name Vraylar™ in March 2016. The product was authorized for the indications of schizophrenia and bipolar mania with a number of post marketing studies to be performed by the owners of the licence in the coming years. In addition to the authorized indications the developing companies are seeking other therapeutic approvals, conducting Phase III clinical trials with cariprazine in the treatment of bipolar depression and as adjunctive therapy in major depression.

In March 2016 the European Medicines Agency (EMA) accepted Richter's regulatory submission for cariprazine for the treatment of schizophrenia in adult patients. Its approval is expected to occur not earlier than 14 months from the date of submission.

First sales were generated by Vraylar™ in the very last few days of March 2016. Under the terms of the agreement between Richter and Allergan, Richter sells the active ingredient on a cost plus basis and receives royalties on subsequent product sales. Settlements are to be made within 45 days following the end of each quarter.

Royalty income of US\$ 1.4 million (EUR 1.2 million) related to the first quarter 2016 sales performance of cariprazine (Vraylar™) contributed to the sales levels achieved during the reported period.

3. Pharmaceuticals – Operating profit and margin

Operating profit for the Group originated primarily from the Pharmaceuticals segment. Operating profit for this business segment amounted to HUF 27,995 million during the first half 2016, a decline of 10.0% when compared to the same period in 2015. Operating margin decreased to 17.8% from the 19.6% realised in the same period 2015 mainly as a result of a decline experienced at gross profit level and higher sales and marketing expenses which were partly offset by a one-off reassessment-related income accounted in respect of our Chinese stakeholding subsequent to the acquisition announced in January 2016 and lower R&D expenses. Following the acquisitions made in 2010 the amortisation of both Esmya and the acquired OC portfolio were incurred as cost items in the reported period and amounted to HUF 3,732 million.

4. Wholesale and retail sales report

	HUFm				EURm			
	2016	2015	Change		2016	2015	Change	
	6 months to June				6 months to June			
				%				%
Hungary	61	77	-16	-20.8	0.2	0.3	-0.1	-33.3
EU *	25,605	20,562	5,043	24.5	81.9	66.9	15.0	22.4
Poland	-	-	-	-	-	-	-	-
Romania	25,605	20,562	5,043	24.5	81.9	66.9	15.0	22.4
EU 10	-	-	-	-	-	-	-	-
EU 15	-	-	-	-	-	-	-	-
CIS	6,356	6,628	-272	-4.1	20.3	21.6	-1.3	-6.0
Russia	-	-	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-	-	-
Other CIS	6,356	6,628	-272	-4.1	20.3	21.6	-1.3	-6.0
USA	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-
Latin America	2,017	1,962	55	2.8	6.5	6.4	0.1	1.6
RoW	-	-	-	-	-	-	-	-
Total	34,039	29,229	4,810	16.5	108.9	95.2	13.7	14.4
Average exchange rate (EURHUF)					312.67	307.03	5.64	1.8

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

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

Sales amounted to EUR 108.9 million in the first six months 2016, a 14.4% increase compared to the same period of the previous year.

Our Romanian subsidiaries realised 75% of the turnover in the Wholesale and Retail segment (RON 368.1 million), with the remainder primarily being invoiced by our subsidiaries in the CIS region. The sales increase in Romania was RON 71.5 million (EUR 15.0 million) in the first half 2016. A slow reduction in payment delays continued on the Romanian pharma market during the reported period, yet excessive delays continue to prevail in the pharma sector.

5. Wholesale and retail – Operating profit and margin

The combined amount of operating profit from subsidiaries and the stakeholding proportional amount of income from associates and joint ventures operating in the Wholesale and retail segment totalled HUF 1,689 million during the reported period.

The consolidated operating profit of subsidiaries belonging to this segment was HUF 373 million, when compared to an operating gain of HUF 595 million realised in the base period.

Disclosures

I, the undersigned declare, that Gedeon Richter Plc. takes full responsibility, that the interim management report published today, which contains the Group's six months to June 2016 results is prepared in accordance with the applicable accounting standards and according to the best of our knowledge. The report above provides a true and fair view of the financial position of Gedeon Richter Plc., comprises the subsidiaries included in the consolidation, contains an explanation of material events and transactions that have taken place during the reported year and their impact on the financial position of Gedeon Richter Plc. and its subsidiaries included in the consolidation.

Budapest, 28 July 2016



Erik Bogsch
Managing Director

The financial statements in this report cover the activities of Gedeon Richter Group ('The Group' or 'Richter Group') and Gedeon Richter Plc. ('The Company' or 'Richter'). These interim condensed financial statements are prepared in accordance with IAS 34 Interim Financial reporting. EUR and US\$ amounts have been converted from HUF at average exchange rates for indicative purposes only. Financial statements for the twelve months to December 2015 are audited. Financial statements for the six months period ended 30 June 2016 and 30 June 2015 are unaudited. The Company has adopted the same accounting policies during the preparation of this report as for the preparation of the most recent annual financial report.

Appendix 1

Products and active ingredients

The following products are referred to in this report:

Product	Active pharmaceutical ingredients	Therapeutic area
Aertal* / Aflamil* / Aflamin* / Airtal* / Biofenac*	aceclofenac	Non-steroid anti-inflammatory
Amlodipine-Perindopril-Richter	amlodipine+perindopril	Cardiovascular, anti-hypertensive
Antaclast*	cilostazol	Antithrombotic
Avonex*	interferon beta-1a	Central nervous system, multiple sclerosis
Belara	chlormadinone + 30 mcg EE**	Women's Healthcare, oral contraceptive
Bemfola®	follitropin alfa	Women's Healthcare, female fertility
Cavinton	vinpocetine	CNS, nootropic
Dipankrin	pancreatinum	Gastrointestinal, digestive
Emetron	ondansetron	Antiemetic
Esmya®	ulipristal acetate	Women's Healthcare, uterine myoma
Fasconal	acetylsalicylic acid + paracetamol+caffeine + codeine	Analgesic
Grofibrat, Grofibrat S	fenofibrat	Cardiovascular, lipid-lowering
Groprinosin	inosine pranobex	Antiviral
Lenzetto®*	estradiol	Hormone replacement therapy (spray)
Lisvy®*	gestodene + EE**	Women's Healthcare, contraceptive (patch)
Lunaldin*/Dolforin*	fentanyl	Oncology, opioid analgesic
Mertenil	rosuvastatin	Cardiovascular, cholesterol-lowering
Mydeton / Mydocalm	tolperisone	Muscle relaxant
Ossica	ibandronate	Oncology / Women's Healthcare, Osteoporosis
Panangin	asparaginates	Cardiovascular, cardiac therapy
Suprax*	cefixime	Antibiotic
Verospiron	spironolactone	Cardiovascular, diuretic
Vraylar™	cariprazine	CNS, antipsychotic

Notes: * Licensed-in
** Ethinyl estradiol

Appendix 2

Women's healthcare products and active ingredients

Brand name	Active ingredients	Product type
Oral contraceptives (OC)		
Volina / Midiana / Aranka / Maitalon 30	DRP+30mcg EE	Fourth generation
Symicia / Daylette / Daylla / Volina Mite / Rezia / Maitalon 20 / Darylia / Dimia / Liladros / Arankelle	DRP+20mcg EE	Fourth generation
Regulon / Desorelle / Desmin 30	DSG+30mcg EE	Third generation
Novynette / Desmin 20 / Femina	DSG+20mcg EE	Third generation
Azalia / Lactinette	DSG	Third generation
Lindynette 20 / Karissa	GST+20mcg EE	Third generation
Lindynette 30	GST+30mcg EE	Third generation
Milligest / Tristin / Perlean	GST+30/40mcg EE	Third generation
Rigevidon / Microfemin	LVG+30mcg EE	Second generation
Tri-Regol	LVG+30/40mcg EE	Second generation
Belara / Chariva / Lybella / Balanca / Belarina / Evefem	CLM+30mcg EE	
Neo-Eunomin	BCLM+50mcg EE	
Eve 20	norethisterone+20mcg EE	First generation
Silhouette / Mistral / Mistra / Sibilla	dienogest + 30 mcg EE	Fourth generation
Emergency contraceptives (EC)		
Postinor / Rigesoft / Levonelle-2 / Plan B	LVG (2x)	
Escapelle / Levonelle One-Step / Plan B One Step	LVG (1x)	
Other contraceptive methods (CM)		
Goldlily / Silverlily	Au+Cu, Ag+Cu	IUD
Levosert*	levonorgestrel	IUD
Lisvy ^{®*}	gestodene + EE	patch

Continued on the following page

Note: * Licensed-in

Abbreviations used:

LVG: Levonorgestrel
 EE: Ethinyl estradiol
 CLM: Chlormadinone

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

Continued from previous page:

Brand name	Active ingredients	Product type
Menopausal care		
Tulita / Minivel	norethisterone+estradiol	Hormone replacement therapy
Triaklim	norethisterone+estradiol	Hormone replacement therapy
Pausogest	norethisterone+estradiol	Hormone replacement therapy
Goldar*	tibolone	Hormone replacement therapy
Estrimax	estradiol	Hormone replacement therapy
Lenzetto®*	estradiol	Hormone replacement therapy (spray)
Ossica	ibandronate	Osteoporosis
Sedron / Ostalon / Siranin / Beenos	alendronate	Osteoporosis
Calci-Sedron-D / Ostalon Calci D	alendronate+Ca, vitamine D	Osteoporosis
Pregnancy care and Obstetrics		
Gravida*	vitamins	Pregnancy care
Oxytocin	oxytocine	Labour induction (injection)
Bromocriptin	bromocriptin mesilate	Prolactin inhibitor
Gynaecological infections		
Mycosyst	fluconazole	Antifungal
Gyno Femidazol	miconazole nitrate	Antifungal
Gynofort / Gynazol*	butoconazole nitrate	Antifungal (cream)
Klion D	metronidazole+miconazole	Antifungal
Other Gynaecological conditions		
Esmya®	ulipristal acetate	Uterine myoma
Norcolut	norethisterone	Premenstruation syndrome, mastodynia, dysfunctional uterine bleeding, endometriosis
Loritan*		Medical pad for the detection of potential leakage of the amniotic liquid
Levosert*	levonorgestrel	Menorrhagia
Bulk Products		
		Oral contraception

Note: * Licensed-in

Abbreviations used:

LVG: Levonorgestrel
 EE: Ethinyl estradiol
 CLM: Chlormadinone

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