1. Executive summary

	HUFm				EURm			
	2017	2016	Change		2017	2016	Change	
	6 months to June			%	6 months to June			%
Hungary	20,209	20,176	33	0.2	65.3	64.5	0.8	1.2
EU*	95,097	76,733	18,364	23.9	307.3	245.4	61.9	25.2
EU 12**	61,511	51,413	10,098	19.6	198.8	164.4	34.4	20.9
Poland	12,568	11,751	817	7.0	40.6	37.6	3.0	8.0
Romania	36,829	27,675	9,154	33.1	119.0	88.5	30.5	34.5
EU 15	33,586	25,320	8,266	32.6	108.5	81.0	27.5	34.0
CIS	73,202	60,068	13,134	21.9	236.6	192.1	44.5	23.2
Russia	51,576	40,131	11,445	28.5	166.7	128.3	38.4	29.9
Ukraine	4,868	4,079	789	19.3	15.8	13.1	2.7	20.6
Other CIS	16,758	15,858	900	5.7	54.1	50.7	3.4	6.7
USA	13,845	6,987	6,858	98.2	44.7	22.3	22.4	100.4
China	10,871	11,032	-161	-1.5	35.1	35.3	-0.2	-0.6
Latin America	4,928	4,555	373	8.2	16.0	14.6	1.4	9.6
RoW	8,637	7,721	916	11.9	27.9	24.7	3.2	13.0
Total	226,789	187,272	39,517	21.1	732.9	598.9	134.0	22.4

Notes: * Current and historical average exchange rates are shown in Chapter 12 on page 21.
** For detailed information please refer to Appendix 3 on page 32.

We are pleased to issue to our distinguished investor and analyst community the six months to June 2017 report of Richter Group prepared for the Budapest Stock Exchange. This report has been developed along a new concept and format with a major interest in our minds i.e. to make it easier to read at a glance by structuring the style and text in a more accessible way, while attempting not to lose any information that we have previously provided. We hope that you appreciate this new format.

Consolidated sales at HUF 226,789 million, EUR 732.9 million, increased in the first half 2017 by HUF 39,517 million (21.1%) and by EUR 134.0 million (22.4%) when compared to the same period 2016.

While improving sales performance characterised most of our markets, the main drivers of the growth by geographies were Russia which grew by RUB 407.7 million or 4.1% (by EUR 38.4 million or 29.9%) to a consolidated turnover of RUB 10,440.5 million (EUR 166.7 million), the EU15 region which grew by EUR 27.5 million, (34.0%) to EUR 108.5 million, while turnover in the USA grew by US$ 23.5 million (94.0%) to US$ 48.5 million. In addition to the above, the Wholesale and retail segment grew in Romania by RON 136.2 million (37.0%) or by EUR 29.2 million (35.7%) and it achieved RON 504.3 million (EUR 111.1 million) during the reported period.

As far as the turnover by product portfolio is concerned, proceeds from high added value focus products contributed to sales levels achieved, as follows: Esmya® EUR 44.1 million, Vraylar™ (royalties) US$ 21.7 million and Bemfola® EUR 17.6 million and Richter's specialty portfolio, the range of oral contraceptives realised a turnover of EUR 151.0 million.

The improving (19.9%) year-on-year average exchange rate of the Rouble against the Euro contributed significantly to our sales performance in Russia when reported in Euro. Adjusted for Russia achieved in the six months to June 2017 period when recalculated at the riod exchange rate (EURRUB 78.17) grew by EUR 5.2 million (4.1%).

The EURHUF average exchange rate weakened marginally by 1.0%, to 309.42 during the first half 2017 when compared with the same period in the previous year. For additional exchange rates please refer to Chapter 12, on page 21.

Gross profit in the six months to June 2017 period at HUF 128,766 (EUR 416.2 million), grew by 16.9% (18.1% in EUR terms) when compared the base period. Gross margin, however declined to 56.8%, by 200 basis points during the reported period.

Operating cost items, altogether at HUF 96,465 million (EUR 311.8 million) were 15.3% (16.6% in EUR terms) above their base period levels primarily due to higher Sales and marketing expenses and increasing Administrative and General expenses. A one-off item which impacted the base period also created a high base for Other income and other expenses. Operating margin was 14.2% by the end of the reported period.

Weaker period end RUB exchange rates (both to HUF and EUR) resulted in a substantial Net Financial Loss of HUF 3,902 million (EUR 12.6 million) primarily due to reassessment losses. For a more detailed information on Net financial result please refer to the table on page 21.

Income and deferred tax reported a positive balance of HUF 1,898 million (EUR 6.1 milion), which in turn resulted in tax payable at Group level of HUF 295 million (EUR 1.0 million).

Profit attributable to owners of the parent at HUF 28,196 million (EUR 91.1 million) were 2.9% (in EUR terms 1.8%) below their levels reported in the six months to June 2016.

2. Main financial indicators and exchange rates

	HUFm			EURm		
	2017	**2016****	**Change**	**2017**	**2016****	**Change**
	6 months to June		%	6 months to June		%
Total revenues	226,789	187,272	21.1	732.9	598.9	22.4
Gross profit	128,766	110,162	16.9	416.2	352.3	18.1
Gross margin %	56.8	58.8		56.8	58.8	
Profit from operations	32,301	26,494	21.9	104.4	84.8	23.1
Operating margin %	14.2	14.1		14.2	14.1	
Net financial (loss) / income	(3,902)	4,536	n.a.	(12.6)	14.5	n.a.
Profit before income tax	29,220	32,026	-8.8	94.5	102.4	-7.7
Profit attributable to owners of the parent	28,196	29,027	-2.9	91.1	92.8	-1.8
Profit margin attributable to owners of the parent %	12.4	15.5		12.4	15.5	
EBITDA	49,760	42,488	17.1	160.8	136.0	18.2
Basic EPS (HUF, EUR)	151	156	-3.2	0.49	0.50	-2.0
Average exchange rate (EURHUF)*				309.42	312.67	-1.0

Notes: * Current and historical average exchange rates are shown in Chapter 12 on page 21.
** For detailed information please refer to Appendix 3 on page 32.

3. Key Specialty Products

3.1 Cariprazine (Vraylar™, Reagila®) – Central Nervous System

Following 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 further therapeutic approvals, conducting Phase III clinical trials with cariprazine in the treatment of bipolar depression and as adjunctive therapy in major depression.

The Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) adopted a positive opinion on the Company's application for cariprazine (Reagila®). Consequently, on 19 July 2017 Richter announced that the European Commission (EC) granted marketing authorization valid for all European Union Member States to Reagila®.

With effect from 1 January 2017 the Group reported cariprazine (Vraylar™) related royalty income based on sales estimations made for the same period by Richter's US partner, Allergan. The royalty income due to Richter in respect of first half 2017 amounted to US$ 21.7 million (EUR 20.0 million). This amount contributed materially to the sales levels achieved during the reported period.

3.2 Esmya® – Women's Healthcare

Esmya® reported total sales were EUR 44.1 million in the six months to June 2017, compared to the EUR 31.1 million turnover recorded in the same period of the previous year. The year-on-year increase was realised mostly in the EU15 region.

	HUFm				EURm			
	2017	2016	Change		2017	2016	Change	
	6 months to June			%	6 months to June			%
Hungary	533	503	30	6.0	1.7	1.6	0.1	6.3
EU *	11,159	8,054	3,105	38.6	36.1	25.8	10.3	39.9
EU 12**	900	754	146	19.4	2.9	2.4	0.5	20.8
EU 15	10,259	7,300	2,959	40.5	33.2	23.4	9.8	41.9
CIS	680	502	178	35.5	2.2	1.6	0.6	37.5
Latin America	484	187	297	158.8	1.6	0.6	1.0	166.7
RoW	791	475	316	66.5	2.5	1.5	1.0	66.7
Total	13,647	9,721	3,926	40.4	44.1	31.1	13.0	41.8
Average exchange rate (EURHUF)					309.42	312.67	-3.25	-1.0

Notes: * All Member States of the EU, except for Hungary.
** EU12 now includes sales figures for both Poland and Romania. Base period figures were readjusted.

Following its approval for the long term management of uterine fibroids, Esmya® was granted reimbursed status in Lithuania during the first quarter 2017.

In the first quarter 2017 Esmya® was granted a marketing authorization in Argentina and also in the second quarter in Guatemala, although no market launch has yet taken place.

3.3 Bemfola® – Women's Healthcare

Focusing on the meaningful widening of our core Women's Healthcare portfolio in June 2016 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.

Bemfola® was granted a marketing authorization both for Kosovo and Macedonia in the three months to March 2017 period. In addition the product was launched during the first quarter 2017 in Poland, in the Czech Republic and in Slovakia.

Sales of Bemfola® recorded during the first half 2017 amounted to EUR 17.6 million (US$ 19.1 million). Prior to the acquisition of Finox Holding base period figures did not include any Bemfola® sales.

3.4 Lenzetto® – Women's Healthcare

Lenzetto®, the estradiol spray for treating menopause symptoms, licensed in from Acrux, an Australian company, received multiple marketing approvals in European territories during September 2015. Following its launch in a number of countries during 2016, in the first quarter 2017 Lenzetto® was launched in Estonia and Luxembourg while in the second quarter it also reached the market in Slovenia, Sweden, Finland and Moldova.

Turnover of Lenzetto® during the first half 2017 amounted to EUR 0.9 million.

3.5 Levosert® – Women's Healthcare

Further extending our Women's Healthcare franchise, a levonorgestrel releasing Intrauterine System (IUS), Levosert® was licensed-in from Allergan in January 2017 for Western and Northern European countries. The product had been earlier launched by Allergan in a number of these countries. Based on an agreement established in 2011 with Uteron Pharma, Richter had also previously marketed Levosert® in many Central and Eastern European countries and thus subsequent to the agreement with Allergan it became a Pan European distributor.

Following the completion of the marketing authorization transfer, the product was launched in the second quarter 2017 both in Germany and in Austria.

Total turnover achieved by this product in the first half 2017 amounted to EUR 0.9 million.

4. Women's Healthcare – Core Business

In recognition of the strategic importance to the Company of this therapeutic area a detailed presentation of the Women's Healthcare (WH) franchise is given 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, fertility, pregnancy care and obstetrics, gynaecological infections and other gynaecological conditions. Please refer to Appendix 2 on pages 30-31 for a comprehensive list of major products belonging to this therapeutic field.

4.1 Women's Healthcare sales

4.1.1 WH sales by region

	HUFm				EURm			
	2017	**2016**	**Change**		**2017**	**2016**	**Change**	
	6 months to June			%	6 months to June			%
Hungary	2,821	2,889	-68	-2.4	9.1	9.2	-0.1	-1.1
EU *	35,231	27,572	7,659	27.8	113.9	88.2	25.7	29.1
EU 12**	6,554	6,309	245	3.9	21.2	20.2	1.0	5.0
Poland	1,732	1,645	87	5.3	5.6	5.3	0.3	5.7
Romania	1,056	1,091	-35	-3.2	3.4	3.5	-0.1	-2.9
EU 15	28,677	21,263	7,414	34.9	92.7	68.0	24.7	36.3
CIS	18,097	13,835	4,262	30.8	58.5	44.3	14.2	32.1
Russia	15,010	11,241	3,769	33.5	48.5	36.0	12.5	34.7
Ukraine	1,271	900	371	41.2	4.1	2.9	1.2	41.4
Other CIS	1,816	1,694	122	7.2	5.9	5.4	0.5	9.3
USA	6,437	5,423	1,014	18.7	20.8	17.3	3.5	20.2
China	4,388	2,292	2,096	91.4	14.2	7.3	6.9	94.5
Latin America	2,507	2,412	95	3.9	8.1	7.7	0.4	5.2
RoW	4,938	3,147	1,791	56.9	15.9	10.1	5.8	57.4
Total	74,419	57,570	16,849	29.3	240.5	184.1	56.4	30.6
Average exchange rate (EURHUF)					309.42	312.67	-3.25	-1.0

For notes please refer to those under the next table.

Proportion to total sales arising from Richter's unique Women's Healthcare portfolio for Richter's each reporting region:

	%	
	2017	**2016**
	6 months to June	
Hungary	14.2	14.6
EU *	55.6	51.4
EU 12**	22.0	22.3
EU 15	85.4	84.0
CIS	26.6	25.0
USA	46.5	77.6
China	40.4	20.8
Latin America	75.9	83.2
RoW	57.2	40.8
Total	39.6	36.6

Notes: * All Member States of the EU, except for Hungary.
** EU12 now includes sales figures for both Poland and Romania. Base period figures were readjusted.

Total sales recorded by Richter's unique WH niche franchise at EUR 240.5 million experienced a substantial growth of EUR 56.4 million, or 30.6%.

The key driver of the growth was the EU15 region led by the UK, Spain and France. As far as the product portfolio is concerned growth resulted primarily from higher sales levels of Esmya® and recently acquired Bemfola®.

Sales arising from the OC portfolio acquired in 2010 amounted to EUR 22.5 million, EUR 1.3 million (5.5%) below the base period figure.

	EURm			
	2017	**2016**	**Change**	
	6 months to June			%
Germany	20.6	23.0	-2.4	-10.4
Spain	15.7	9.1	6.6	72.5
France	14.4	8.3	6.1	73.5
UK	13.1	4.9	8.2	167.3
Italy	12.0	9.4	2.6	27.7
Total Top 5 Sales	75.8	54.7	21.1	38.6
Total EU15 Sales	92.7	68.0	24.7	36.3
Total Top 5 / Total EU15 Sales %	81.8	80.4		

In **Germany,** Richter's contraceptives franchise has been hit by negative media campaigns linked to potential side effects of OCs in general. In-market sales of Esmya® according to IMS statistics grew by 12.1% in the first six months 2017 when compared to the base period. Group sales, however were negatively impacted by parallel imports.

The **Spanish** market in recent years outgrew Richter's main markets in the EU15 region. Sales reported in this market increased by EUR 6.6 million primarily due to good performance of Bemfola®. During the reported period Esmya® also contributed substantially to the sales growth achieved. However the above performance also includes parallel exports realised primarily to Germany.

Turnover in **France** increased by EUR 6.1 million due to good performance of both Bemfola® and Esmya®. Richter is conducting negotiations with French Authorities on the reimbursement level of Esmya® and its claw-back related issues. According to the current regulation the reimbursed sales ceiling imposed is as low as EUR 1.9 million, and all turnover exceeding this level is subject to a claw-back to the authorities. The ongoing negotiations are expected to establish more appropriate conditions in respect of sales cap and price levels.

Sales in the **UK** were GBP 7.5 million (EUR 8.2 million) higher, although from a very low base. The timing of shipments in respect of certain oral contraceptives had a positive impact on the figure reported. Esmya® also contributed to the higher turnover achieved during the first half 2017.

In **Italy** Richter Group achieved Women's Healthcare sales of EUR 12.0 million in the reported period, EUR 2.6 million above the levels reported in the first half 2016. Esmya® and Bemfola® contributed primarily to the sales growth achieved.

Sales to the **CIS** in the first half 2017 totalled EUR 58.5 million representing an increase of EUR 14.2 million compared to the sales levels achieved in the same period of the previous year. Growth recorded in the CIS region originated primarily in Russia. In RUB terms sales to **Russia** reached RUB 3,038.4 million, an increase of RUB 228.1 million or 8.1% due to the positive impact of higher sales of a range of oral contraceptives. The Group's unique Women's Healthcare franchise performed at a higher growth rate than its overall product portfolio both in the first and in the second quarter 2017.

Sales to the **USA** grew by US$ 3.2 million, 16.5% due to higher turnover recorded by Plan B / Plan B One-Step and certain steroid APIs.

Certain products belonging to Richter's Women's Healthcare portfolio showed good performance in **China** due to the impact of some preshipments reported in the first quarter 2017.

WH sales in the **ROW** countries reported a healthy growth when compared to the same period of the previous year primarily due to the combined result of Bemfola® sales recorded in Australia, in Israel and in Norway, which were recently included into the consolidation and higher Esmya® sales recorded in Canada.

5. 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	
	2017	2016 Restated*	2017	2016	2017	2016	2017	2016	2017	2016 Restated*
	6 months to June		6 months to June		6 months to June		6 months to June		6 months to June	
Total revenues	187,990	157,291	43,576	34,039	2,513	2,230	(7,290)	(6,288)	226,789	187,272
Gross profit	124,891	106,099	3,837	3,580	352	337	(314)	146	128,766	110,162
Profit from operations	32,079	26,488	376	373	105	108	(259)	(475)	32,301	26,494
Share of profit of associates and joint ventures	182	(242)	824	1,316	(6)	11	(179)	(89)	821	996
Number of employees at period end	10,272	9,890	1,467	1,466	423	342	-	-	12,162	11,698

Note: * For detailed information please refer to Appendix 3 on page 32.

6. Pharmaceuticals sales report

Sales in the pharmaceutical segment in the first half 2017 totalled HUF 187,990 million (EUR 607.5 million), representing an increase of 19.5% (20.8% in EUR terms) compared to the same period of last year.

6.1 Pharmaceutical sales by region

	HUFm				EURm			
	2017	2016	Change		2017	2016	Change	
	6 months to June			%	6 months to June			%
Hungary	19,906	19,737	169	0.9	64.3	63.1	1.2	1.9
EU *	63,405	53,636	9,769	18.2	204.9	171.5	33.4	19.5
EU 12**	29,828	28,322	1,506	5.3	96.4	90.5	5.9	6.5
Poland	12,568	11,751	817	7.0	40.6	37.6	3.0	7.9
Romania	5,146	4,584	562	12.3	16.6	14.6	2.0	13.7
EU 15	33,577	25,314	8,263	32.6	108.5	81.0	27.5	34.0
CIS	68,024	55,289	12,735	23.0	219.9	176.8	43.1	24.4
Russia	51,574	40,131	11,443	28.5	166.7	128.3	38.4	29.9
Ukraine	4,841	4,054	787	19.4	15.7	13.0	2.7	20.8
Other CIS	11,609	11,104	505	4.5	37.5	35.5	2.0	5.6
USA	13,845	6,987	6,858	98.2	44.7	22.3	22.4	100.4
China	10,871	11,032	-161	-1.5	35.1	35.3	-0.2	-0.6
Latin America	3,303	2,898	405	14.0	10.7	9.3	1.4	15.1
RoW	8,636	7,712	924	12.0	27.9	24.7	3.2	13.0
Total	187,990	157,291	30,699	19.5	607.5	503.0	104.5	20.8
Average exchange rate (EURHUF)					309.42	312.67	-3.25	-1.0

6.2 Pharmaceutical sales by region in currencies of invoicing

	Currency (million units)	2017	2016	Change %
		6 months to June		
Hungary	HUF	19,906	19,737	0.9
EU *	EUR	204.9	171.5	19.5
EU 12 **	EUR	96.4	90.5	6.5
Poland	PLN	173.4	164.3	5.5
Romania	RON	75.5	65.9	14.5
EU 15	EUR	108.5	81.0	34.0
CIS	EUR	219.9	176.8	24.4
	US$	238.4	197.5	20.7
Russia	RUB	10,440.0	10,032.8	4.1
Ukraine	US$	17.0	14.5	17.2
Other CIS	EUR	37.5	35.5	5.6
	US$	40.6	39.6	2.5
USA	US$	48.5	25.0	94.0
China	EUR	35.1	35.3	-0.6
Latin America	US$	11.6	10.4	11.5
RoW	EUR	27.9	24.7	13.0
	US$	30.3	27.5	10.2

Notes: * All Member States of the EU, except for Hungary.
** EU12 now includes sales figures for both Poland and Romania. Base period figures were readjusted.

6.2.1 Sales to Top 10 markets

	HUFm				EURm			
	2017	2016	Change		2017	2016	Change	
	6 months to June			%	6 months to June			%
Russia	51,574	40,131	11,443	28.5	166.7	128.3	38.4	29.9
Hungary	19,906	19,737	169	0.9	64.3	63.1	1.2	1.9
USA	13,845	6,987	6,858	98.2	44.7	22.3	22.4	100.4
Poland	12,568	11,751	817	7.0	40.6	37.6	3.0	7.9
China	10,823	11,000	-177	-1.6	35.0	35.2	-0.2	-0.6
Germany	8,974	8,823	151	1.7	29.0	28.2	0.8	2.8
Romania	5,146	4,584	562	12.3	16.6	14.6	2.0	13.7
Spain	4,946	3,067	1,879	61.3	16.0	9.8	6.2	63.3
France	4,877	3,157	1,720	54.5	15.8	10.1	5.7	56.4
Ukraine	4,841	4,054	787	19.4	15.7	13.0	2.7	20.8
Total Top 10	137,500	113,291	24,209	21.4	444.4	362.2	82.2	22.7
Total Sales	187,990	157,291	30,699	19.5	607.5	503.0	104.5	20.8
Total Top 10 / Total Sales %					73.2	72.0		

6.3 Hungary

In **Hungary** sales totalled HUF 19,906 million (EUR 64.3 million) in the first half 2017, a moderate increase of 0.9% (1.9% in EUR terms) compared to the base period.

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. Price cuts applied with effect from 1 April 2017 are expected to amount to an annual revenue loss of approximately HUF 65 million.

Based on the latest available market audit (IMS) data for the six months to June 2017 the pharmaceutical market increased by 4.8% year-on-year. Retail sales of Richter products increased by 1.1% compared to the same period 2016 and the Company is now the fifth player on the Hungarian pharmaceutical market with a 5.2% share. When considering only the market for retail prescription drugs, Richter qualifies for second place with a market share of 7.3%.

6.3.1 Hungarian regulatory environment

The Hungarian market has stabilised, albeit at significantly lower levels than a few years ago. In accordance with the regulations extraordinary taxes levied on the pharmaceutical industry and payable in 2017 can be offset by up to 90% of the tax liability depending on the level of R&D expenditures and wage related expenses of staff employed in this field. Given the high amounts directed to this activity Richter has been exempted from the payment of this extraordinary tax from the second quarter of each year.

6.3.2 European Union

Sales in the **European Union**, excluding Hungary, amounted to EUR 204.9 million in the first half of 2017, EUR 33.4 million higher than the levels recorded in the same period of 2016.

In the **EU12** region (which now includes sales figures for both Poland and Romania with base period figures readjusted accordingly) sales totalled EUR 96.4 million in the first six months of 2017, EUR 5.9 million higher when compared to the base period. This region represented 47% of total EU sales of the Group's pharmaceutical segment.

In **Poland** the Group recorded sales of PLN 173.4 million (EUR 40.6 million) in the first half 2017, an increase of PLN 9.1 million (EUR 3.0 million) compared to the same period in 2016. Due to a strong flu season, sales of our leading product, Groprinosin substantially increased during the reported period. Nevertheless, sales continued to be adversely impacted by price erosion on some of our generic products and parallel imports of certain other products, although at a lower level.

In **Romania** sales amounted to RON 75.5 million (EUR 16.6 million) in the first half 2017, an increase of RON 9.6 million (EUR 2.0 million) when compared to the base period. As a consequence of substantial price decreases implemented by the Government in recent years, a number of original products were withdrawn from the market, which in turn provided sales opportunities for some generic products.

In the **EU15** region sales amounted to EUR 108.5 million in the first six months to June 2017, EUR 27.5 million higher than in the corresponding period of the previous year. This region contributed 53% of total EU pharmaceutical sales.

Top 5 markets in the EU15 region:

	EURm			
	2017	**2016**	**Change**	
	6 months to June			%
Germany	29.0	28.2	0.8	2.8
Spain	16.0	9.8	6.2	63.3
France	15.8	10.1	5.7	56.4
UK	14.3	6.0	8.3	138.3
Italy	12.6	10.5	2.1	20.0
Total Top 5 Sales	87.7	64.6	23.1	35.8
Total EU15 Sales	108.5	81.0	27.5	34.0
Total Top 5 / Total EU15 Sales %	80.8	79.8		

Considering that more than 80% of turnover originating from this region arises from Women's Healthcare portfolio a more detailed description of the EU15 markets has been presented in Chapter 4 – Women's Healthcare – Core Business on page 5.

6.4 CIS

Sales to the **CIS** in the first half 2017 totalled EUR 219.9 million, a significant increase of EUR 43.1 million (24.4%) compared to the sales levels achieved in the same period of the previous year. As a result of an improving overall economic and FX environment higher sales levels were recorded in Russia, in Ukraine and in the Other CIS republics.

Following **Russia**'s real GDP growth during the last quarter 2016, a further expansion is currently expected for 2017 at a rate of 1.4%. Depreciation of the Rouble against the Euro which reached EURRUB 90 reversed in February 2016 and by early April 2017 resulted in an appreciation that brought the Russian currency to just below a rate of 60. By the end of the second quarter 2017 EURRUB had weakened back to the rate of 67. Improving unemployment rates, that have fallen to around 5.5% together with additional Government fiscal consolidation measures have improved the overall economic outlook for Russia.

Sales to Russia totalled RUB 10,440.0 million in the first six months to June 2017 period, RUB 407.2 million (4.1%) higher when compared to the same period in the previous year. The increased sales achieved resulted from reported higher sales volumes, an improving product mix, that is a higher share of the Women's Healthcare franchise and certain, limited price increases implemented at the end of 2016. The improving (19.9%) year-on-year average exchange rate of the Rouble against the Euro contributed significantly to our sales performance in Russia when reported in Euro. Sales levels during the reported period at EUR 166.7 million increased by EUR 38.4 million when compared to the turnover reported in the same period 2016.

Sales to **Ukraine** amounted to US$ 17.0 million (EUR 15.7 million) in the first six months 2017, an increase of US$ 2.5 million (EUR 2.7 million) compared to the turnover reported for the same period 2016, although still from a low base.
Ukrainian markets have stabilized to some extent, however Richter maintains its more strict receivables control policy implemented by the Company since the beginning of 2014. By the end of the reported period, the local currency, UAH, had devalued year-on-year against the US$ by 5.2%.

Sales in **Other CIS republics** totalled EUR 37.5 million (US$ 40.6 million) in the first half 2017, representing an increase of EUR 2.0 million (US$ 1.0 million) compared to the same period in 2016. Oil and natural gas prices stabilised and currency appreciations in certain countries of the region have positively impacted the overall performance of this region.

6.5 USA

Sales in the **USA** totalled US$ 48.5 million (EUR 44.7 million) in the first six months of 2017, an increase of US$ 23.5 million (EUR 22.4 million) over the base period figure. The significant year-on-year growth was mainly due to cariprazine (Vraylar™) royalty income and additionally the result of certain amendments made with effect from 1 January 2017 to the accounting treatment in respect of our profit sharing and royalty income. Higher API sales also contributed to the sales growth achieved during the reported period.

With effect from 1 January 2017 the Group reports cariprazine related royalty income based on sales estimations made for the same period by Richter's US partner, Allergan. These amounted to US$ 21.7 million (EUR 20.0 million) in respect of the first half 2017.

6.6 China

Sales to **China** amounted to EUR 35.1 million in the first six months 2017, virtually flat when compared to the base period (EUR 0.2 million lower). Timing of shipments which occurred in the second quarter 2017 more than offset the positive impact caused in the first quarter of 2017 by regulatory related preshipments.

6.7 Latin America

Sales in **Latin American** countries amounted to US$ 11.6 million in the first half 2017, an increase of US$ 1.2 million when compared to the same period last year primarily due to higher sales levels of Esmya®.

6.8 Rest of the World

Sales in these countries amounted to EUR 27.9 million (US$ 30.3 million) in the first half 2017 resulting primarily from a better performance achieved by focus Women's Healthcare products. Turnover increased by EUR 3.2 million US$ 2.8 million) when compared with the same period in 2016.

6.9 Sales of Top 10 Products

	HUFm				EURm			
	2017	2016	Change		2017	2016	Change	
	6 months to June			%	6 months to June			%
Hormonal contraceptives	46,714	42,156	4,558	10.8	151.0	134.8	16.2	12.0
Esmya®	13,647	9,721	3,926	40.4	44.1	31.1	13.0	41.8
Cavinton	13,636	15,162	-1,526	-10.1	44.1	48.5	-4.4	-9.1
Mydeton	10,173	8,678	1,495	17.2	32.9	27.8	5.1	18.3
Panangin	9,365	7,168	2,197	30.7	30.3	22.9	7.4	32.3
Verospiron	6,383	5,697	686	12.0	20.6	18.2	2.4	13.2
Vraylar™ / cariprazine	6,199	387	5,812	1,501.8	20.0	1.2	18.8	1,566.7
Bemfola®	5,461	-	5,461	n.a.	17.6	-	17.6	n.a.
Lisopress	4,914	4,538	376	8.3	15.9	14.5	1.4	9.7
Groprinosin	4,260	3,658	602	16.5	13.8	11.7	2.1	17.9
Total Top 10	120,752	97,165	23,587	24.3	390.3	310.7	79.6	25.6
Total Sales	187,990	157,291	30,699	19.5	607.5	503.0	104.5	20.8
Total Top 10 / Total Sales %					64.2	61.8		

7. Pharmaceuticals – Operating profit and margin

Please note that certain financial items are presented in a simple structure which follows the same pattern: the first line contains the HUF figures, namely reported period (H1 2017), base period (H1 2016), change in HUF and change in percentage, (left to right) while the second line is the same for indicative EUR figures.

Operating profit

HUF 32,079mn	HUF 26,488mn	+HUF 5,591mn	+21.1%
EUR 103.7mn	EUR 84.7mn	+EUR 19.0mn	+22.4%

Operating margin

17.1%	16.8%

Operating profit for the Group originated primarily from the Pharmaceuticals segment. Operating margin improved as a result of growth of pharmaceutical turnover having exceeded the increase of operating costs.

Amortization of acquired assets

Following the acquisitions made in 2010 and 2016 the amortisation of Esmya, the acquired OC portfolio and Bemfola were incurred as cost items in the reported period and amounted to HUF 4,785 million when compared to HUF 3,732 reported in the base period for Esmya and the acquired OC portfolio.

8. Wholesale and retail sales report

	HUFm				EURm			
	2017	2016	Change		2017	2016	Change	
	6 months to June			%	6 months to June			%
Hungary	-	61	-61	-100.0	-	0.2	-0.2	-100.0
EU *	34,378	25,605	8,773	34.3	111.1	81.9	29.2	35.7
EU 12**	34,378	25,605	8,773	34.3	111.1	81.9	29.2	35.7
Poland	-	-	-	-	-	-	-	-
Romania	34,378	25,605	8,773	34.3	111.1	81.9	29.2	35.7
EU 15	-	-	-	-	-	-	-	-
CIS	7,127	6,356	771	12.1	23.0	20.3	2.7	13.3
Russia	-	-	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-	-	-
Other CIS	7,127	6,356	771	12.1	23.0	20.3	2.7	13.3
USA	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-
Latin America	2,071	2,017	54	2.7	6.7	6.5	0.2	3.1
RoW	-	-	-	-	-	-	-	-
Total	43,576	34,039	9,537	28.0	140.8	108.9	31.9	29.3
Average exchange rate (EURHUF)					309.42	312.67	-3.25	-1.0

Notes: * All Member States of the EU, except for Hungary.
** EU12 now includes sales figures for both Poland and Romania. Base period figures were readjusted.

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 140.8 million in the first six months 2017, a EUR 31.9 million increase compared to the same period of the previous year.

Our Romanian subsidiaries realised 79% of the turnover in the Wholesale and Retail segment (RON 504.3 million), with the remainder primarily being invoiced by our subsidiaries in the CIS region. The sales increase in Romania was RON 136.2 million (37.0%) in the first half 2017. A significant reduction in payment delays prevailed on the Romanian pharma market during the reported period, while the amount of outstanding receivables also decreased, although a fragmented retail market continues to retain a relatively high level of credit risk.

9. 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 1,200 million during the reported period.

The consolidated operating profit of subsidiaries belonging to this segment was HUF 376 million, when compared to an operating profit of HUF 373 million realised in the same period of 2016.

10. Consolidated figures

10.1 Sales

Consolidated sales

HUF 226,789mn	HUF 187,272mn	+HUF 39,517mn	+21.1%
EUR 732.9mn	EUR 598.9mn	+EUR 134.0mn	+22.4%

10.2 Costs, expenses, profits

Cost of sales

HUF 98,023mn	HUF 77,110mn	+HUF 20,913mn	+27.1%
EUR 316.7mn	EUR 246.6mn	+EUR 70.1mn	+28.4%

Amortization of acquired assets

Amortization of the acquired intangible asset Esmya amounted to HUF 1,451 million while amortization of another intangible asset Bemfola was HUF 999 million in the six months to June 2017 period.
Following the acquisition of the Finox Group a reassessment was made of the fair value of Bemfola inventories and given that the sale of these inventories was carried over to 2017 it had the impact of increasing costs.

Gross margin

56.8%	58.8%

Price erosion experienced on our traditional markets, an increase of costs related to tightening regulatory measures, together with the amortization Esmya and Bemfola impacted negatively on the gross margin. Furthermore, the share of turnover of the lower margin Wholesale and Retail segment in Romania increased which also negatively impacted gross margin. All the above were only partly offset by royalty income received from Allergan in respect of Vraylar™ and the appreciation of the Rouble both against HUF and EUR.

Sales and marketing expenses

HUF 60,155mn	HUF 54,383mn	+HUF 5,772mn	+10.6%
EUR 194.4mn	EUR 173.9mn	+EUR 20.5mn	+11.8%

Proportion to sales:
26.5% 29.0%

Higher marketing costs incurred on the EU15, on the Chinese and on the Latin American markets and the inclusion of Finox into the consolidation, which further increased such costs were complemented by increased expenses in Russia, in Ukraine and in Other CIS region together with an appreciation of the Rouble and certain currencies of Other CIS region countries.

Amortization of acquired portfolio
Amortisation of the marketing and intellectual property rights of the OC portfolio acquired from Grünenthal in the amount of HUF 2,195 million represented 1.0% of sales achieved in the reported period. After adjustment for this amortization, S&M expenses represented 25.5% of turnover.

Registration fee for medical representatives
The annual registration fee payable in respect of medical representatives in Hungary amounted to HUF 213 million (EUR 0.7 million) in the first six months of 2017. In accordance with the regulations tax payable in 2017 on this ground can be offset by 90% of the tax liability depending on the level of R&D expenditures and wage related expenses of the staff employed in this field. Given the high amounts directed to this activity Richter is exempted from the payment of this extraordinary tax from the second quarter of each year.

Administrative and general expenses

HUF 11,762mn	HUF 9,316mn	+HUF 2,446mn	+26.3%
EUR 38.0mn	EUR 29.8mn	+EUR 8.2mn	+27.5%

These expenses grew primarily due to the inclusion of the Finox group and to a some extent as a result of higher labour costs, legal assistance and other advisory fees.

Research and development expenses

HUF 20,921mn	HUF 19,757mn	+HUF 1,164mn	+5.9%
EUR 67.6mn	EUR 63.2mn	+EUR 4.4mn	+7.0%

Proportion to sales:
9.2% 10.5%

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)

(HUF 3,627mn)	(HUF 212mn)	+HUF 3,415mn	-
(EUR 11.8mn)	(EUR 0.6mn)	+EUR 11.2mn	-

One-off items

The base period figure included one-off income amounting to HUF 3,453 million (EUR 11.1 million) 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.

No such one-off item impacted the figure reported for the first half 2017.

20% tax obligation payable

In the six months to June 2017 an expense of HUF 382 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 tax payable in 2017 on this ground can be offset by 90% of the tax liability depending on the level of R&D expenditures and wage related expenses of the staff employed in this field. Given the high amounts directed to this activity Richter is exempted from the payment of this extraordinary tax from the second quarter of each year.

Claw-back

During the reported period other income and expenses include liabilities amounting to HUF 3,465 million (EUR 11.2 million) in respect of the claw-back regimes effective in Romania, Germany, France, Spain, Portugal, Belgium, Italy, Bulgaria and Latvia.

Profit from operations

HUF 32,301mn	HUF 26,494mn	+HUF 5,807mn	+21.9%
EUR 104.4mn	EUR 84.8mn	+EUR 19.6mn	+23.1%

The increase resulted primarily from the impact of a significantly higher turnover only partially offset by an increase in the levels of operating costs and the decline experienced at gross margins.

Consolidated operating margin

14.2%	14.1%

The negative impact of declining gross margin was offset by operating expenses growing at a slower pace than the Group's consolidated turnover and by the positive impact on the base period which was primarily influenced by a one-off income (HUF 3,453 million, EUR 11.1 million) related to the acquisition of the Gedeon Richter Rxmidas JV Co. Ltd. When excluding the impact of this one-off reassessment item, operating margin in the base period was 12.3%.

Net financial (loss) / income

(HUF 3,902mn)	HUF 4,536mn	-HUF 8,438mn	-
(EUR 12.6mn)	EUR 14.5mn	-EUR 27.1mn	-

The substantial financial loss was driven by the Unrealised financial items, primarily by the reassessment at period end's weaker RUB and US$ exchange rates of payables and receivables, foreign currency loans receivables and bank deposits included in other currency related items. For a more detailed information on Net financial result please refer to the table on page 21.

Share of profit of associates and joint ventures

HUF 821mn	HUF 996mn	-HUF 175mn	-17.6%
EUR 2.7mn	EUR 3.1mn	-EUR 0.4mn	-12.9%

Profit before income tax

HUF 29,220mn	HUF 32,026mn	-HUF 2,806mn	-8.8%
EUR 94.5mn	EUR 102.4mn	-EUR 7.9mn	-7.7%

Taxation

By virtue of Hungarian Tax Regulations, the base of the corporate tax applied at the Parent Company of the Group (incorporated in Hungary) may be reduced by the amount of direct costs incurred on R&D activities and 50% of royalties received. 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.

Income and deferred tax

(HUF 1,898mn)	HUF 978mn	-HUF 2,876mn	-
(EUR 6.1mn)	EUR 3.1mn	-EUR 9.2mn	-

During the first half 2017 the Group accounted for HUF 1,004 million (EUR 3.2 million) in respect of corporate tax expense and HUF 2.902 million (EUR 9.4 million) deferred tax income resulting in HUF 1,898 million (EUR 6.1 million) tax income.

Local business tax and innovation contribution

HUF 2,193mn	HUF 1,883mn	+HUF 310mn	+16.5%
EUR 7.1mn	EUR 6.0mn	+EUR 1.1mn	+18.3%

Profit for the period

HUF 28,925mn	HUF 29,165mn	-HUF 240mn	-0.8%
EUR 93.5mn	EUR 93.3mn	+EUR 0.2mn	+0.2%

Profit attributable to owners of the parent

HUF 28,196mn	HUF 29,027mn	-HUF 831mn	-2.9%
EUR 91.1mn	EUR 92.8mn	-EUR 1.7mn	-1.8%

Net income margin attributable to owners of the parent

12.4%	15.5%

10.3 Earnings per share

Basic earnings per share

HUF 151	HUF 156	-HUF 5	-3.2%
EUR 0.49	EUR 0.50	-€ 0.01	-2.0%

Diluted earnings per share

HUF 151	HUF 156	-HUF 5	-3.2%
EUR 0.49	EUR 0.50	-€ 0.01	-2.0%

The weighted average number of shares in issue used for the EPS calculation on June 30 2017 was 186,186,925 while at the end of the base period it was 185,626,988.

10.4 Balance sheet

Changes for all balance sheet items are reported in respect of 31 December 2016 audited figures.

Total assets and total shareholders' equity and liabilities of the Group

HUF 814,470mn	HUF 813,877mn	+HUF 593mn	+0.1%

Non-current assets

HUF 500,595mn	HUF 503,931mn	-HUF 3,336mn	-0.7%

The amount of Goodwill accounted for decreased as a result of 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 preceding years. The level of Other intangible assets decreased primarily as a result of the amortization and the foreign exchange difference at period-end related to the Esmya and Bemfola intangible asset.

Current assets

HUF 313,875mn	HUF 309,946mn	+HUF 3,929mn	+1.3%

Current assets increased, primarily due to the higher level of Trade receivables.

Capital and reserves

HUF 684,821mn	HUF 681,873mn	+HUF 2,948mn	+0.4%

Retained earnings increased by HUF 8,440 million and amounted to HUF 623,097 million. This increase was partly offset by a HUF 4,926 million decrease of translation difference impacting on Foreign currency translation reserve.

Non-current liabilities

HUF 42,128mn	HUF 42,792mn	-HUF 664mn	-1.6%

Current liabilities

HUF 87,521mn	HUF 89,212mn	-HUF 1,691mn	-1.9%

Current liabilities of the Group declined as a result of contradictory impacts, a decline in short term loans (having paid an EUR 12.5 million tranche to EIB) and Trade payables were not entirely offset by higher Other current liabilities and accruals during the reported period.

10.5 Capital expenditure

Capital expenditure for the Group including payments for intangible assets totalled HUF 15,606 million in first half 2017 when compared to HUF 11,160 million reported for the base period.

11. Corporate matters

11.1 Information regarding Richter shares

11.1.1 The number of shares in issue at 30 June 2017 was unchanged compared to 31 March 2017, i.e. 186,374,860 shares.

11.1.2 The number of shares held by the Parent company in Treasury decreased during the first half of 2017.

	Ordinary shares				
	30 June 2017	31 March 2017	31 December 2016	30 September 2016	30 June 2016
Number	127,651	185,981	181,350	90,988	87,588
Book value (HUF '000)	841,640	1,098,368	1,068,477	492,763	473,358

On 30 June 2017 the Group's subsidiaries held a total of 60,284 ordinary Richter shares.

In accordance with a repurchase obligation related to employee share bonuses, the Company repurchased 3,150 shares from employees who resigned from the Parent company during the second quarter 2017.

Based on a decision of the Board of Directors, 123,254 shares held by the Company in treasury were granted in June 2017 to employees participating in a bonus share programme and to other employees who rendered outstanding performance.

In the second quarter 2017 Richter purchased 61,774 treasury shares on the OTC market.

The total number of Company shares at Group level held in Treasury at 30 June 2017 was 187,935.

11.1.3 Share ownership structure

The shareholder structure at 30 June 2017 is presented in detail in the following table:

Ownership	Ordinary shares Number	Voting rights %	Share capital %
Domestic ownership	58,366,853	31.35	31.32
State ownership total	47,051,794	25.27	25.25
out of which MNV Zrt.	47,051,668	25.27	25.25
out of which Municipality	126	0.00	0.00
Institutional investors	5,642,924	3.03	3.03
Retail investors	5,672,135	3.05	3.04
International ownership	127,736,150	68.60	68.53
Institutional investors	126,400,669	67.88	67.81
out of which Aberdeen Asset Mgmt. Plc.	18,243,530	9.80	9.79
out of which Harding Loevner LP	9,367,925	5.03	5.03
Retail investors	1,335,481	0.72	0.72
Treasury shares*	187,935	0.00	0.10
Undisclosed ownership	83,922	0.05	0.05
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.

11.2 Extraordinary announcements

11.2.1 On 19 May 2017 Richter announced that the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) adopted a positive opinion on the Company's application for cariprazine, a novel antipsychotic for the treatment of schizophrenia in adult patients.

11.2.2 On 19 July 2017 Richter announced that the European Commission (EC) granted marketing authorization to Reagila® (cariprazine). The decision is applicable for all Member States in the European Union.

12. Historical exchange rates

12.1 At period end

	30.06.2017	31.03.2017	31.12.2016	30.09.2016	30.06.2016
EURHUF	308.87	308.70	311.02	309.15	316.16
US$HUF	270.87	288.64	293.69	276.35	284.29
RUBHUF	4.56	5.15	4.78	4.36	4.43
EURRUB	67.73	59.94	65.07	70.91	71.37
EURUS$	1.14	1.07	1.06	1.12	1.11

12.2 Average

	2017 H1	2017 Q1	2016 M12	2016 M9	2016 H1
EURHUF	309.42	309.10	311.46	312.23	312.67
US$HUF	285.26	290.24	281.24	279.64	279.95
RUBHUF	4.94	4.94	4.19	4.09	4.00
EURRUB	62.64	62.57	74.33	76.34	78.17
EURUS$	1.08	1.06	1.11	1.12	1.12

13. Net financial result for the Group

	HUFm			EURm		
	2017	2016	Change	2017	2016	Change
	6 months to June			6 months to June		
Unrealised financial items	(5,820)	3,419	-9,239	(18.8)	10.9	-29.7
Exchange (loss)/gain on trade receivables and trade payables	(4,706)	3,030	-7,736	(15.2)	9.7	-24.9
Loss on foreign currency loans receivable	(1,456)	(44)	-1,412	(4.7)	(0.1)	-4.6
Period end foreign exchange translation difference of borrowings	224	(393)	617	0.7	(1.3)	2.0
Exchange gain on other currency related items	118	1,412	-1,294	0.4	4.5	-4.1
Unwinding of discounted value related to contingent-deferred purchase price liabilities	-	(457)	457	-	(1.5)	1.5
Result of unrealised forward exchange contracts	-	(129)	129	-	(0.4)	0.4
Realised financial items	1,918	1,117	801	6.2	3.6	2.6
Exchange gain realised on trade receivables and trade payables	740	932	-192	2.4	3.0	-0.6
Foreign exchange difference on conversion of cash	(339)	(564)	225	(1.1)	(1.8)	0.7
Dividend income	1	3	-2	0.0	0.0	0.0
Interest income	896	1,106	-210	2.9	3.5	-0.6
Interest expense	(322)	(448)	126	(1.0)	(1.4)	0.4
Other financial items	942	88	854	3.0	0.3	2.7
Net financial (loss)/income	(3,902)	4,536	-8,438	(12.6)	14.5	-27.1

Company name: Gedeon Richter Plc.
Company address: 1103 Budapest, Gyömrői út 19-21., Hungary
Sector: Pharmaceutical
Reporting period: January-June 2017

Telephone: +36-1-431-5764
Fax: +36-1-261-2158
E-mail address: investor.relations@richter.hu
Investor relations manager: Katalin Ördög

14. Balance Sheet

	30 June 2017 Unaudited HUFm	31 December 2016 Audited HUFm	Change %
ASSETS	814,470	813,877	0.1
Non-current assets	500,595	503,931	-0.7
Property, plant and equipment	189,243	191,002	-0.9
Goodwill	66,293	68,632	-3.4
Other intangible assets	189,512	192,677	-1.6
Investments in associates and joint ventures	8,022	8,541	-6.1
Other financial assets	33,411	32,864	1.7
Deferred tax assets	7,669	5,416	41.6
Loans receivable	6,445	4,799	34.3
Current assets	313,875	309,946	1.3
Inventories	81,989	81,246	0.9
Trade receivables	118,600	116,223	2.0
Other current assets	15,538	14,991	3.6
Investments in securities	18	751	-97.6
Current tax assets	758	682	11.1
Cash and cash equivalents	96,972	96,053	1.0
EQUITY AND LIABILITIES	814,470	813,877	0.1
Capital and reserves	684,821	681,873	0.4
Share capital	18,638	18,638	0.0
Treasury shares	(1,058)	(1,285)	-17.7
Share premium	15,214	15,214	0.0
Capital reserve	3,475	3,475	0.0
Foreign currency translation reserve	13,552	18,478	-26.7
Revaluation reserve for available for sale investments	7,464	8,825	-15.4
Retained earnings	623,097	614,657	1.4
Non-controlling interest	4,439	3,871	14.7
Non-current liabilities	42,128	42,792	-1.6
Borrowings	28,687	28,874	-0.6
Deferred tax liability	5,073	5,962	-14.9
Other non-current liabilities and accruals	4,872	4,448	9.5
Provisions	3,496	3,508	-0.3
Current liabilities	87,521	89,212	-1.9
Borrowings	3,862	7,776	-50.3
Trade payables	39,121	45,926	-14.8
Current tax liabilities	506	655	-22.7
Other current liabilities and accruals	42,768	32,929	29.9
Provisions	1,264	1,926	-34.4

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 2017

Telephone: +36-1-431-5764
Fax: +36-1-261-2158
E-mail address: investor.relations@richter.hu
Investor relations manager: Katalin Ördög

15. Consolidated statement of changes in equity

HUFm	Share capital	Share premium	Capital reserve	Treasury shares	Foreign currency translation reserve	Retained earnings	Revaluation reserve for available for sale investments	Attributable to owners of the parent	Non-controlling interest	Total
Balance at 31 December 2016	18,638	15,214	3,475	(1,285)	18,478	614,657	8,825	**678,002**	3,871	**681,873**
Profit for the period	-	-	-	-	-	28,196	-	**28,196**	729	**28,925**
Exchange differences arising on translation of foreign operations	-	-	-	-	(4,969)	-	-	**(4,969)**	(157)	**(5,126)**
Exchange differences arising on translation of associates and joint ventures	-	-	-	-	43	-	-	**43**	-	**43**
Revaluation for available for sale investments	-	-	-	-	-	-	(1,361)	**(1,361)**	-	**(1,361)**
Comprehensive income at 30 June 2017	-	-	-	-	(4,926)	28,196	(1,361)	**21,909**	572	**22,481**
Net treasury shares transferred and purchased	-	-	-	227	-	-	-	**227**	-	**227**
Ordinary share dividend for 2016	-	-	-	-	-	(19,756)	-	**(19,756)**	-	**(19,756)**
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	**-**	(4)	**(4)**
Balance at 30 June 2017	18,638	15,214	3,475	(1,058)	13,552	623,097	7,464	**680,382**	4,439	**684,821**

Company name: Gedeon Richter Plc.
Company address: 1103 Budapest, Gyömrői út 19-21., Hungary
Sector: Pharmaceutical
Reporting period: January-June 2017

Telephone: +36-1-431-5764
Fax: +36-1-261-2158
E-mail address: investor.relations@richter.hu
Investor relations manager: Katalin Ördög

16. Income Statement – HUF

For the year ended 31 December 2016 Audited HUFm		For the period ended 30 June 2017 Unaudited HUFm	2016 Restated* HUFm	Change %
389,690	Total revenues	226,789	187,272	21.1
(164,002)	Cost of sales	(98,023)	(77,110)	27.1
225,688	Gross profit	128,766	110,162	16.9
(107,564)	Sales and marketing expenses	(60,155)	(54,383)	10.6
(20,339)	Administration and general expenses	(11,762)	(9,316)	26.3
(35,153)	Research and development expenses	(20,921)	(19,757)	5.9
(8,016)	Other income and other expenses (net)	(3,627)	(212)	n.a.
54,616	Profit from operations	32,301	26,494	21.9
26,600	Finance income	9,163	13,316	-31.2
(14,788)	Finance cost	(13,065)	(8,780)	48.8
11,812	Net financial (loss)/income	(3,902)	4,536	n.a.
1,798	Share of profit of associates and joint ventures	821	996	-17.6
68,226	Profit before income tax	29,220	32,026	-8.8
3,005	Income and deferred tax	1,898	(978)	n.a.
(4,208)	Local business tax and innovation contribution	(2,193)	(1,883)	16.5
67,023	Profit for the period	28,925	29,165	-0.8
	Profit attributable to:			
66,200	Owners of the parent	28,196	29,027	-2.9
823	Non-controlling interest	729	138	428.3
	Statement of comprehensive income			
67,023	Profit for the period	28,925	29,165	-0.8
(44)	Actuarial loss on retirement defined benefit plans	-	-	n.a.
(44)	Items that will not be reclassified to profit or loss	-	-	n.a.
1,546	Exchange differences arising on translation of foreign operations	(5,126)	2,201	n.a.
34	Exchange differences arising on translation of associates and joint ventures	43	(138)	n.a.
5,502	Revaluation for available for sale investments	(1,361)	2,932	n.a.
7,082	Items that may be subsequently reclassified to profit or loss	(6,444)	4,995	n.a.
7,038	Other comprehensive income	(6,444)	4,995	n.a.
74,061	Total comprehensive income	22,481	34,160	-34.2
	Attributable to:			
73,203	Owners of the parent	21,909	34,029	-35.6
858	Non-controlling interest	572	131	336.6
HUF	**Earnings per share (EPS)**	**HUF**	**HUF**	**%**
356	Basic	151	156	-3,2
356	Diluted	151	156	-3,2

Note: * For detailed information please refer to Appendix 3 on page 32.
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 2017

Telephone: +36-1-431-5764
Fax: +36-1-261-2158
E-mail address: investor.relations@richter.hu
Investor relations manager: Katalin Ördög

17. Income Statement – EUR

For the year ended 31 December 2016 Audited EURm		For the period ended 30 June 2017 Unaudited EURm	2016 Restated* EURm	Change %
1,251.2	Total revenues	732.9	598.9	22.4
(526.6)	Cost of sales	(316.7)	(246.6)	28.4
724.6	Gross profit	416.2	352.3	18.1
(345.3)	Sales and marketing expenses	(194.4)	(173.9)	11.8
(65.3)	Administration and general expenses	(38.0)	(29.8)	27.5
(112.9)	Research and development expenses	(67.6)	(63.2)	7.0
(25.7)	Other income and other expenses (net)	(11.8)	(0.6)	n.a.
175.4	Profit from operations	104.4	84.8	23.1
85.4	Finance income	29.6	42.6	-30.5
(47.5)	Finance cost	(42.2)	(28.1)	50.2
37.9	Net financial (loss)/income	(12.6)	14.5	n.a.
5.8	Share of profit of associates and joint ventures	2.7	3.1	-12.9
219.1	Profit before income tax	94.5	102.4	-7.7
9.6	Income and deferred tax	6.1	(3.1)	n.a.
(13.5)	Local business tax and innovation contribution	(7.1)	(6.0)	18.3
215.2	Profit for the period	93.5	93.3	0.2
	Profit attributable to:			
212.6	Owners of the parent	91.1	92.8	-1.8
2.6	Non-controlling interest	2.4	0.5	380.0
311.46	Average exchange rate (EURHUF)	309.42	312.67	-1.0
	Statement of comprehensive income			
215.2	Profit for the period	93.5	93.3	0.2
(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.
5.0	Exchange differences arising on translation of foreign operations	(16.5)	7.0	n.a.
0.1	Exchange differences arising on translation of associates and joint ventures	0.1	(0.4)	n.a.
17.6	Revaluation for available for sale investments	(4.4)	9.4	n.a.
22.7	Items that may be subsequently reclassified to profit or loss	(20.8)	16.0	n.a.
22.6	Other comprehensive income	(20.8)	16.0	n.a.
237.8	Total comprehensive income	72.7	109.3	-33.5
	Attributable to:			
235.0	Owners of the parent	70.8	108.8	-34.9
2.8	Non-controlling interest	1.9	0.5	280.0
EUR	**Earnings per share (EPS)**	**EUR**	**EUR**	**%**
1.14	Basic	0.49	0.50	-2.0
1.14	Diluted	0.49	0.50	-2.0

Note: * For detailed information please refer to Appendix 3 on page 32.
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 2017

Telephone: +36-1-431-5764
Fax: +36-1-261-2158
E-mail address: investor.relations@richter.hu
Investor relations manager: Katalin Ördög

18. Income Statement

	April-June 3 months					
	2017	2016*	Change	2017	2016*	Change
	HUFm	HUFm	%	EURm	EURm	%
Total revenues	114,114	97,928	16.5	368.3	312.5	17.9
Cost of sales	(47,412)	(41,130)	15.3	(152.9)	(131.2)	16.5
Gross profit	66,702	56,798	17.4	215.4	181.3	18.8
Sales and marketing expenses	(30,334)	(27,951)	8.5	(97.9)	(89.2)	9.8
Administration and general expenses	(6,592)	(4,786)	37.7	(21.3)	(15.3)	39.2
Research and development expenses	(10,702)	(9,874)	8.4	(34.5)	(31.6)	9.2
Other income and other expenses (net)	(2,445)	(2,253)	8.5	(8.0)	(7.1)	12.7
Profit from operations	16,629	11,934	39.3	53.7	38.1	40.9
Finance income	1,655	7,812	-78.8	5.3	25.0	-78.8
Finance cost	(9,957)	(2,873)	246.6	(32.2)	(9.2)	250.0
Net financial (loss)/income	(8,302)	4,939	n.a.	(26.9)	15.8	n.a.
Share of (loss)/profit of associates and joint ventures	251	749	-66.5	0.9	2.3	-60.9
Profit before income tax	8,578	17,622	-51.3	27.7	56.2	-50.7
Income and deferred tax	1,634	726	125.1	5.2	2.3	126.1
Local business tax and innovation contribution	(1,249)	(942)	32.6	(4.0)	(2.9)	37.9
Profit for the period	8,963	17,406	-48.5	28.9	55.6	-48.0
Profit attributable to:						
Owners of the parent	8,407	17,427	-51.8	27.1	55.6	-51.3
Non-controlling interest	556	(21)	n.a.	1.8	(0.0)	n.a.
Average exchange rate (EURHUF)				310.14	313.06	-0.9

Earnings per share (EPS)	HUF	HUF	%	EUR	EUR	%
Basic	45	93	-51.6	0.15	0.30	-50.0
Diluted	45	93	-51.6	0.15	0.30	-50.0

Note: *For detailed information please refer to Appendix 3 on page 32.

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 2017

Telephone: +36-1-431-5764
Fax: +36-1-261-2158
E-mail address: investor.relations@richter.hu
Investor relations manager: Katalin Ördög

19. Cash flow Statement

For the year ended 31 December 2016 Audited HUFm		For the period ended 30 June 2017 Unaudited HUFm	For the period ended 30 June 2016 Restated* HUFm
	Operating activities		
68,226	Profit before income tax	29,220	32,026
32,895	Depreciation and amortisation	17,458	15,991
(6,725)	Non cash items accounted through Total Comprehensive Income	(1,682)	(4,958)
(245)	Period end foreign exchange translation difference of borrowings	(224)	393
(4,531)	Net interest and dividend income	(575)	(661)
(15)	Changes in provision for defined benefit plans	(31)	(38)
(461)	Decrease/(increase) on changes of property, plant and equipment and intangible assets	20	(83)
3,873	Impairment recognised on intangible assets	-	4
63	Impairment on investments	-	-
4,724	Expense recognised in respect of equity-settled share-based payments	-	320
	Movements in working capital		
(18,095)	Increase in trade and other receivables	(3,818)	(4,012)
(11,446)	Increase in inventories	(743)	(7,352)
16,358	Increase in trade payables and other current and non-current liabilities	9,834	11,077
(827)	Interest expense	(322)	(448)
(6,375)	Income tax paid	(3,382)	(2,400)
77,419	Net cash flow from operating activities	45,755	39,859
	Investing activities		
(30,551)	Payments for property, plant and equipment	(10,101)	(10,252)
(5,902)	Payments for intangible assets	(5,505)	(908)
401	Proceeds from disposal of property, plant and equipment	223	267
(88)	Payments to acquire financial assets	(24)	61
3,950	Proceeds on sale or redemption on maturity of financial assets	733	3,950
(614)	Disbursement of loans net	(905)	(569)
2,566	Interest income	896	1,106
2,792	Dividend income	1	3
(63,555)	Net cash outflow on acquisition of subsidiaries	(7,556)	(9,487)
(91,001)	Net cash flow to investing activities	(22,238)	(15,829)
	Financing activities		
(1,758)	Proceeds from disposal of/(purchase of) treasury shares	227	(37)
(13,563)	Dividend paid	(19,756)	(13,392)
(6,813)	Repayment of borrowings (-)	(3,887)	(2,799)
-	Proceeds from borrowings (+)	13	-
(22,134)	Net cash flow to financing activities	(23,403)	(16,228)
(35,716)	Net increase/(decrease) in cash and cash equivalents	114	7,802
132,374	Cash and cash equivalents at beginning of year	96,053	132,374
(605)	Effect of foreign exchange rate changes on the balances held in foreign currencies	805	(319)
96,053	Cash and cash equivalents at end of period	96,972	139,857

Note: * For detailed information please refer to Appendix 3 on page 32.
Prepared in accordance with IAS 34 Interim Financial Reporting.

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 2017 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 2017

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 2016 are audited. Financial statements for the six months period ended 30 June 2017 and 30 June 2016 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

New product launches

Richter introduced the following new products either in the second quarter 2017 or in the period between the end of the reporting period and the publication of this quarterly report:

Country	Product	Active ingredient	Therapeutic area
Hungary	Gynositol*	inozitol	Women's Healthcare, nutritional supplement
	Curidol	tramadol+paracetamol	CNS, Analgesic
Poland	Violetta	gestodene+15mcg EE**	Women's Healthcare, oral contraceptive
Croatia	Midiana	drospirenone+30mcg EE**	Women's Healthcare, oral contraceptive
	Daylla	drospirenone+20mcg EE**	Women's Healthcare, oral contraceptive
Slovenia	Lenzetto®*	estradiol	Women's Healthcare, hormone replacement therapy (spray)
Germany	Levosert®*	levonorgestrel	Women's Healthcare, other contraceptive method, IUS
Sweden	Lenzetto®*	estradiol	Women's Healthcare, hormone replacement therapy (spray)
Finland	Lenzetto®*	estradiol	Women's Healthcare, hormone replacement therapy (spray)
Austria	Levosert®*	levonorgestrel	Women's Healthcare, other contraceptive method, IUS
Moldova	Lenzetto®*	estradiol	Women's Healthcare, hormone replacement therapy (spray)
Russia	Indapamid Long Richter	indapamid	Cardiovascular, cardiac therapy
Armenia	Amlodipin-perindopril	amlodipine+perindopril	Cardiovascular, antihypertensive
Bolivia	Jolian	drospirenone+20mcg EE**	Women's Healthcare, oral contraceptive
	Rosina	drospirenone+30mcg EE**	Women's Healthcare, oral contraceptive
	Sibilla	dienogest+30mcg EE	Women's Healthcare, oral contraceptive
Mongolia	Aflamil*	aceclofenac	Non-steroid anti-inflammatory
Switzerland	Bemfola®	follitropin alfa	Women's Healthcare, fertility

Notes: * Licensed-in product
** 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 / Rosina	DRP+30mcg EE	Fourth generation
Symicia / Daylette / Volina Mite / Rezia / Jolian Maitalon 20 / Darylia / Daylla / 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
Violetta / Varianta	GST+15mcg EE	Third generation
Kleodina	LVG+30mcg EE	Second generation
Rigevidon / Microfemin	LVG+30mcg EE	Second generation
Tri-Regol	LVG+30/40mcg EE	Second generation
Belara / Chariva / Lybella / Balanca / Evafem	CLM+30mcg EE	
Belarina	CLM+20mcg EE	
Neo-Eunomin	BCLM+50mcg EE	
Eve 20	norethisterone+20mcg EE	First generation
Siluette / 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 / Evitta	LVG (1x)	
Other contraceptive methods (CM)		
Goldlily / Silverlily	Au+Cu, Ag+Cu	IUD
Levosert®*	levonorgestrel	IUD

Continued on the following page

Note: * Licensed-in

Abbreviations used:

LVG:	Levonorgestrel	DRP:	Drospirenone
EE:	Ethinyl estradiol	GST:	Gestodene
CLM:	Chlormadinone	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 / 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
Loritan*		Medical pad for the detection of potential leakage of the amniotic liquid
Fertility		
Bemfola®	follitropin alfa	Fertility treatment
Gynaecological infections		
Mycosyst / Mycosyst Gyno / Flucon	fluconazole	Antifungal
Gyno Femidazol	miconazole nitrate	Antifungal
Gynofort / Gynazol*	butoconazole nitrate	Antifungal (cream)
Klion D	metronidazole+miconazole	Antifungal
Fluomizin*	dequalinium chloride	Anti-infective, antispetic
Other Gynaecological conditions		
Esmya®	ulipristal acetate	Uterine myoma
Levosert®*	levonorgestrel	Menorrhagia
Norcolut	norethisterone	Premenstruation syndrome, mastodynia, dysfunctional uterine bleeding, endometriosis
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

Appendix 3

Changes impacting Consolidated Financial Statements

With effect from 1 January 2017 stand-alone IFRS reporting also became compulsory for Gedeon Richter Plc. The Company implemented changes to the IT system supporting the transition. As part of this development the Company reviewed its methodology to eliminate intra-group profit on sale of inventories. This review discovered that previously applied average margin for elimination was not precise on purchased inventories and that intra-group profit on own manufactured inventories was not fully eliminated. As a consequence, the inventory had been incorrectly overstated and cost of sales understated. The above described IT development enabled the Group to fully eliminate intragroup profit on sale of inventory.

Additionally, the preparation of stand-alone IFRS report of Gedeon Richter Plc. has revealed that the book value of previously identified difference between the IFRS and statutory value of property, plant and equipment and its depreciation have not been reviewed annually. As a consequence, the balance of property, plant and equipment was understated and previous years' depreciation was overstated. The review resulted in correction of the value of property, plant and equipment and retained earnings.

In accordance with IAS 8 standard the corresponding figures for previous periods have been restated accordingly.

GEDEON RICHTER

1103 Budapest, Gyömrői út 19-21.
Mailing address: 1475 Budapest 10, P. O. Box 27, Hungary
E-mail: investor.relations@richter.hu
Telephone: (+36/1) 431-5764
Fax: (+36/1) 261-2158
Internet: www.richter.hu