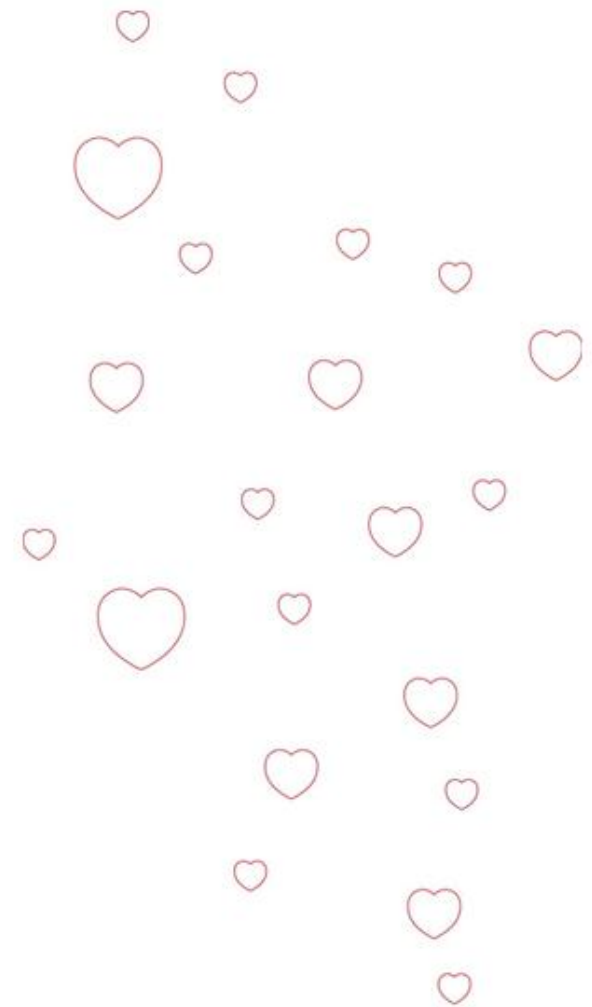


Podravka Group

Erste Group Investor Conference

Stegersbach, October 2012



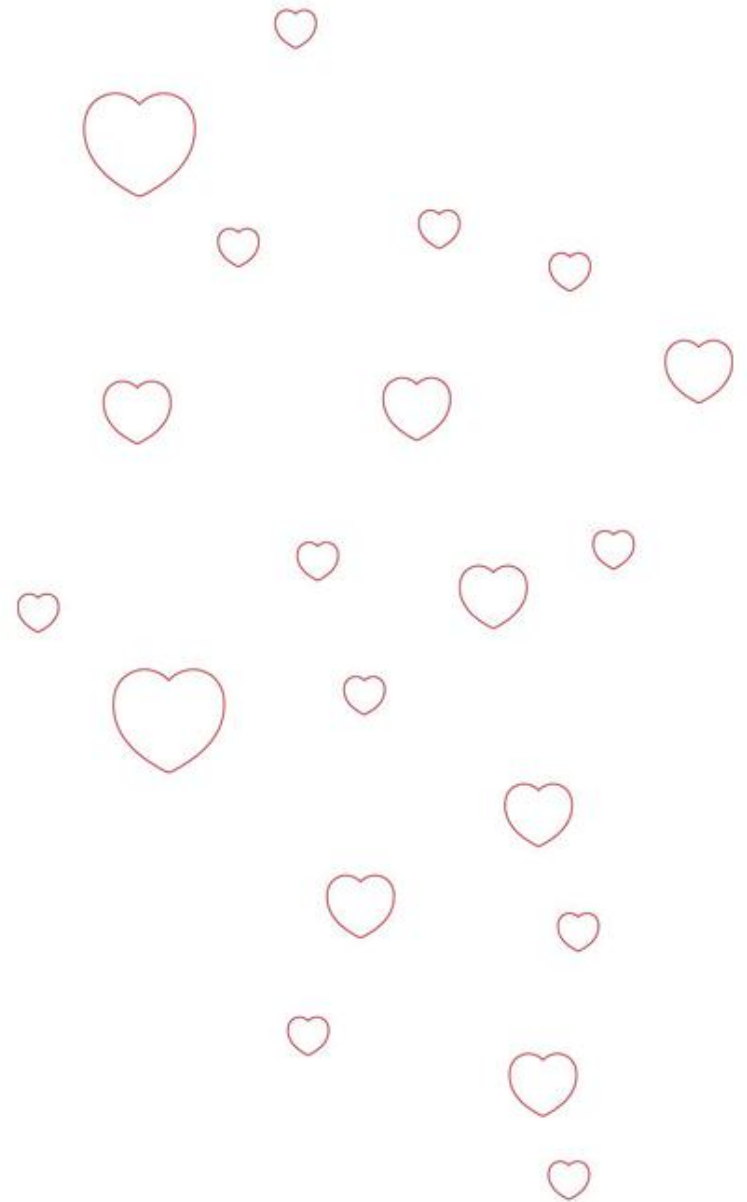
Content

Overview

Sales

Business results

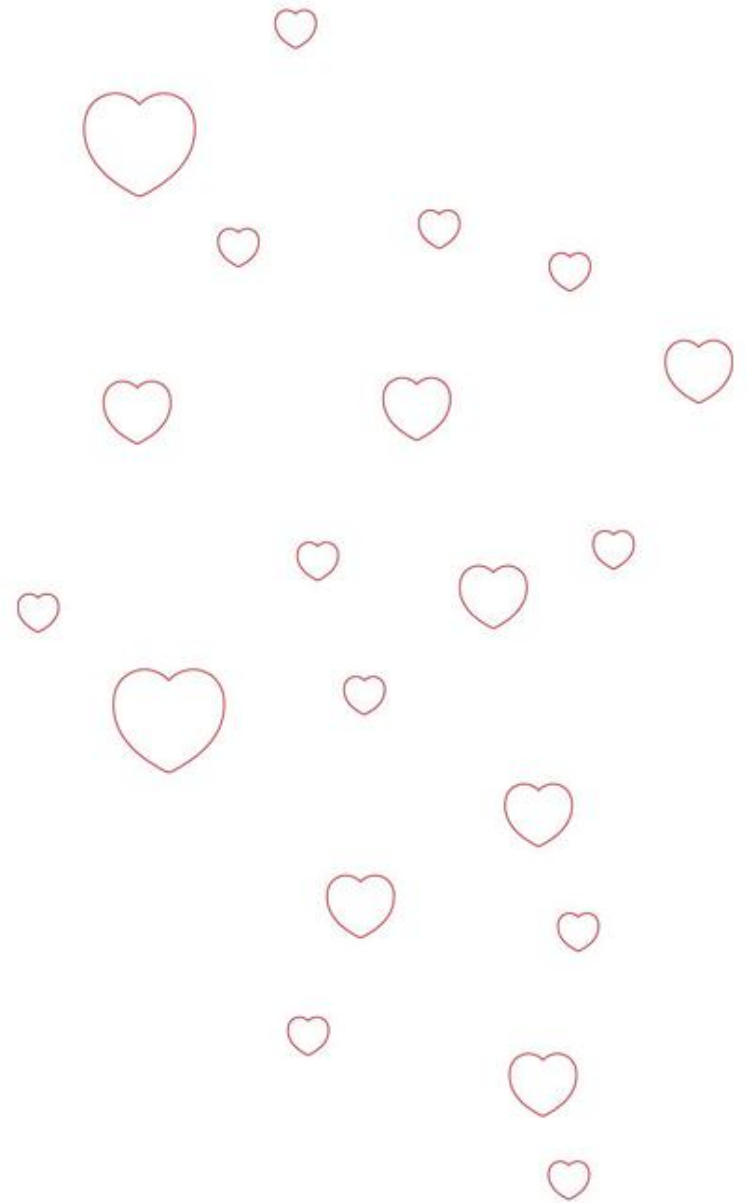
Share performance



Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Podravka Group. These forward-looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Overview



Podravka is well known branded food company



One of the largest branded food companies in the region

- large brand portfolio with well known international and regional brands
- 6,543 employees

Podravka in Croatia

- one of the best known branded food producer
- the second pharmaceutical company per MS

Production facilities

- mostly in Croatia (food, beverages and drugs)
- Czech Republic, Poland (food), Bosnia&Herzegovina (drugs)

Compound of two Strategic Business Areas (SBA)

STRATEGIC BUSINESS AREA						
Food and beverages				Pharmaceuticals		
BUSINESS PROGRAM						
Food	Dishes&Food seasonings	Meat	Beverages	RX	OTC	Pharmacies
<ul style="list-style-type: none"> •Baby food •Cream spreads & snack •Sweets & cereals •Fishery products & olives •Fruits & vegetables •Mill & bakery products •Tomato products & side dishes 	<ul style="list-style-type: none"> •Universal seasonings •Special seasonings •Meal makers •Podravka dishes 	<ul style="list-style-type: none"> •Canned meat •Fresh meat •Frozen shaped meat •Sauces •Sausage products •Paté 	<ul style="list-style-type: none"> •Mineral water •Spring water •Ice tea •Juice •Syrup •Instant beverage •Tea 	<ul style="list-style-type: none"> •Alimentary tract & metabolism •Blood & blood forming organs •Cardiovascular system •Dermatologicals •Genito urinary system & sex hormones •General antiinfectives for systemic use •Musculo – skeletal system •Nervous system •Antiparasitic products •Respiratory system •Malignant disease and immunomodulators 	<ul style="list-style-type: none"> •OTC drugs •Food supplement •Herbal products 	



SBA Food and Beverages

- Podravka offers a wide range of high quality, safe and practical products, from the best raw materials
- Combination of international, regional and local brands

INTERNATIONAL



UNIVERSAL SEASONINGS
SPECIAL SEASONINGS



SOUPS, BOUILLONS, SAUCES, HALF-READY DISHES, PROSESSED
FRUIT AND VEGETABLE PRODUCTS, CONDIMENTS, TEA, MEAT
PRODUCTS, BAKERY PRODUCTS, FROZEN PRODUCTS

REGIONAL



BABY FOOD



CANNED FISH



BAKING AIDS, PUDDINGS, WHIPPED
CREAMS, CAKE AND CREAM MIXES

OTHER BRANDS



Studenac

Kviki

Talianetta

Provita

WARZYWKO

studena.

Fini-Mini

čokolešnik

sms

Lero

belsad



SBA Pharmaceuticals

- Belupo develops, improves and produces prescription and non-prescription drugs
- strong position in Croatia where it is the leading Croatian company in the group of medicine having effect on the cardiovascular system, nervous system and on the skin and leader in sales of OTC painkiller drugs
- increasing international sales



Overview of business characteristic in 1H 2012

Podravka Group business results

- **Sales:** The total sales of the Podravka Group in the first six months of 2012 amounted to HRK 1,720.5 million and is almost at the identical level as in the same period of the year before. Sales of the Strategic Business Area (SBA) Food and Beverages totaled HRK 1,333.2 million, which is a sales drop of 3%, while the sales of the SBA Pharmaceuticals totaled HRK 387.3 million, representing a sales increase of 9%.
- **Profitability:** Realized EBITDA before one off items is HRK 1 million higher compared to the year 2011. EBITDA in 1H 2012 amounted HRK 160.8 million and EBITDA margin is 9.3% (1.2 p.p. lower than in the same period last year). Net profit is HRK 39.1 million (30% lower than in the same period last year).
- **Debt:** The positive trend of reducing debt is continued on the Group level. Net debt on 30 June 2012 amounted HRK 1,168.2 million which is HRK 70 million lower than at the end of 2011.
- **Investments:** In 1H 2012 it is realized HRK 47.1 million of investments and planned amount for 2012 is HRK 160 million.

Changes have been started...

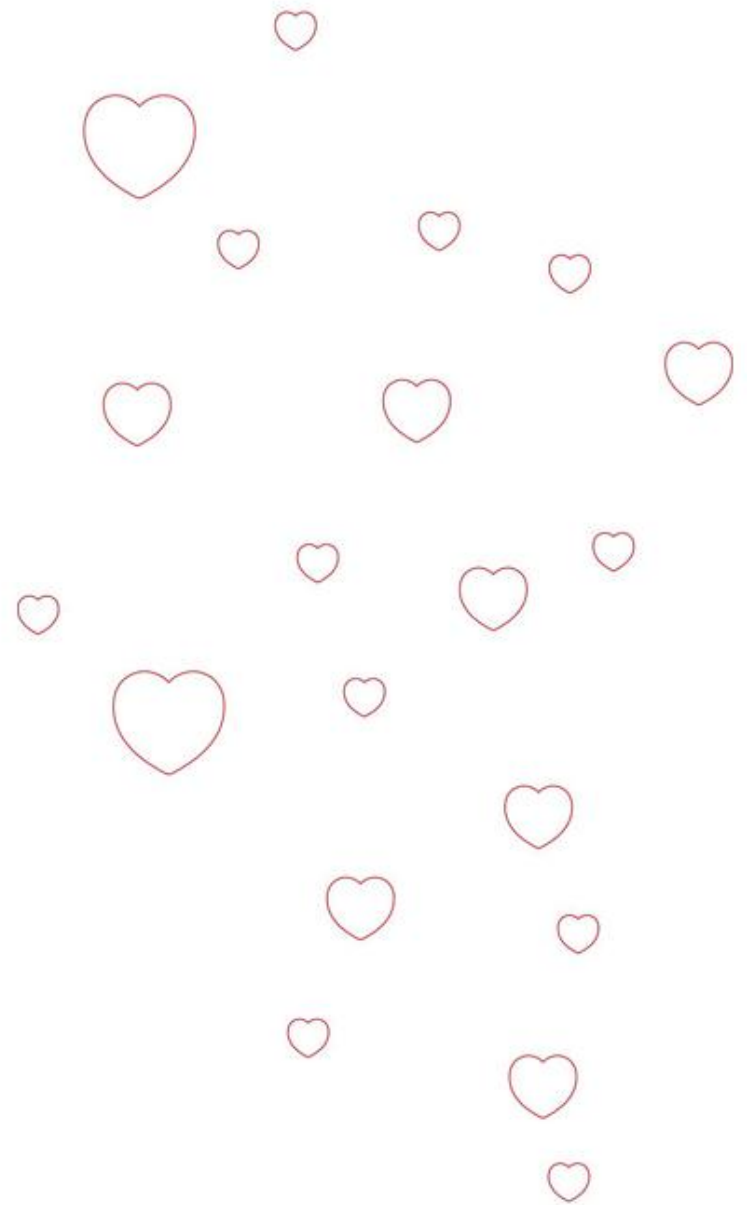
Actions and activities performed

- Management Board has performed several changes in business organization and corporate governance, with the goal of improving processes and establishment more efficient decision making process. The most important changes include:
 - Establishment of Research and Development (R&D) as a sector, with strong focus on improvement of our existing products and developing new products, as a part of strategy for preserving and improving competitiveness in SBA Food & Beverages;
 - changes in organization of SBA Food & Beverages and personnel changes in some sectors in order to enhance business process;
 - changes and/or reduction of members in management and supervisory boards in subsidiaries Belupo and Danica,
 - as a part of strategy of focus on business efficiency and performance oriented remuneration, in early April, we conducted salary reduction for management in Croatia;
 - program of redundancy (288 employees left the company with September 1st);
 - start of the project which aims to establish an improved reporting system including improvement in SKU/Sales channel profitability reporting;
 - other activities with target of cost rationalization.

End of the year and strategy going forward

- the main objective of the Management Board and executives is to continue with the ongoing process of improvement and restructuring of business, especially in areas where below - average profitability is observed and where deficiencies in the current business model is perceived.
- the Management Board is in the final stage of setting out the strategy and preparing detailed plan of initiatives and activities with the goal to implement the strategy the most efficiently.

Sales

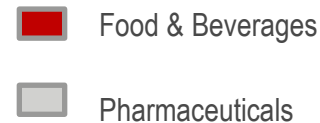
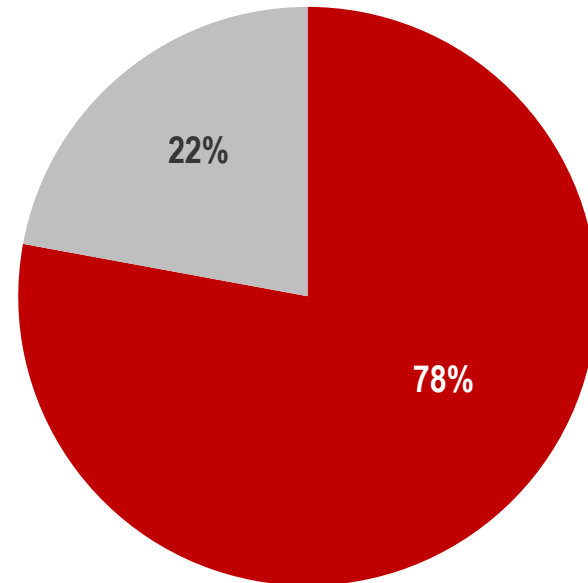


Sales growth of SBA Pharmaceuticals compensate lower sales in SBA Food & Beverages

Sales structure by SBA for Jan – Jun 2012

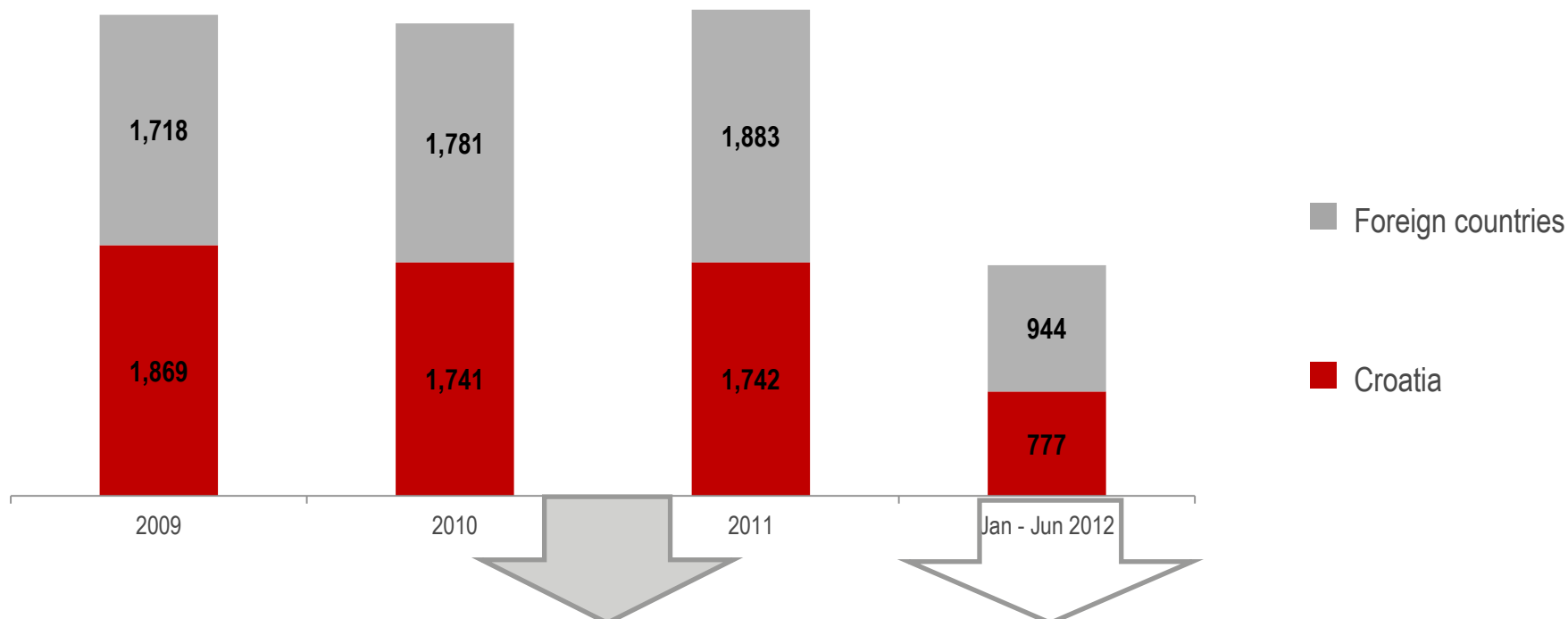
Podravka Group 1H 2012

Total sales	HRK 1,720.5 mn	0%
Food & Beverages	HRK 1,333.2 mn	-3%
• <i>BP Podravka food</i>		-1%
• <i>BP Dishes and food seasonings</i>		0%
• <i>BP Meat</i>		-7%
• <i>BP Beverages</i>		-16%
Pharmaceuticals	HRK 387.3 mn	+9%



Sales increase on foreign markets enables total sales growth, despite stagnation of domestic market

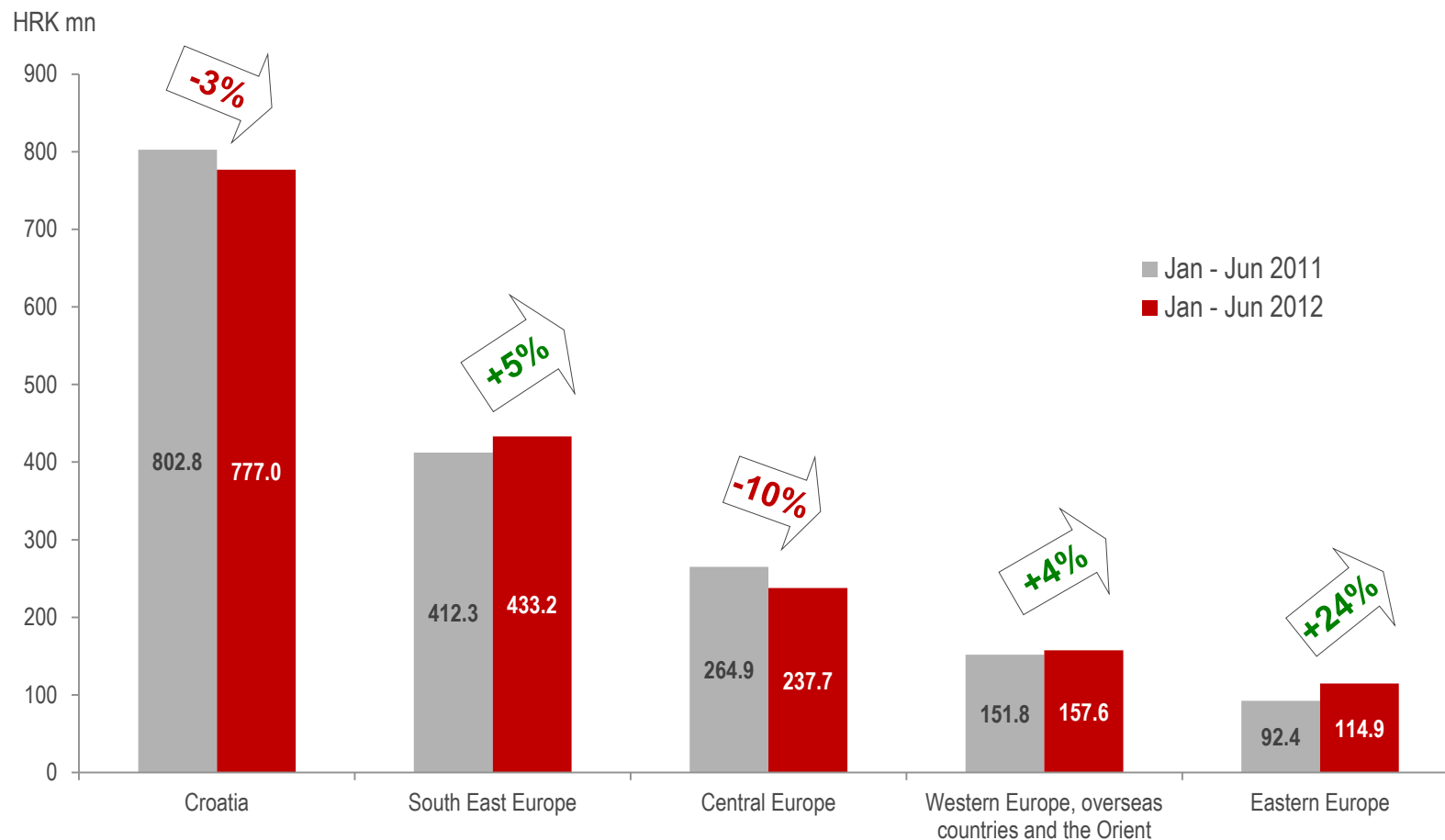
HRK mn



sales on domestic market is almost at the same level as in 2010 while foreign countries recorded a growth (6%)

in 1H 2012 sales on domestic market is 3% lower than in the same period last year, while foreign countries recorded a growth (2%)

Sales revenues per markets



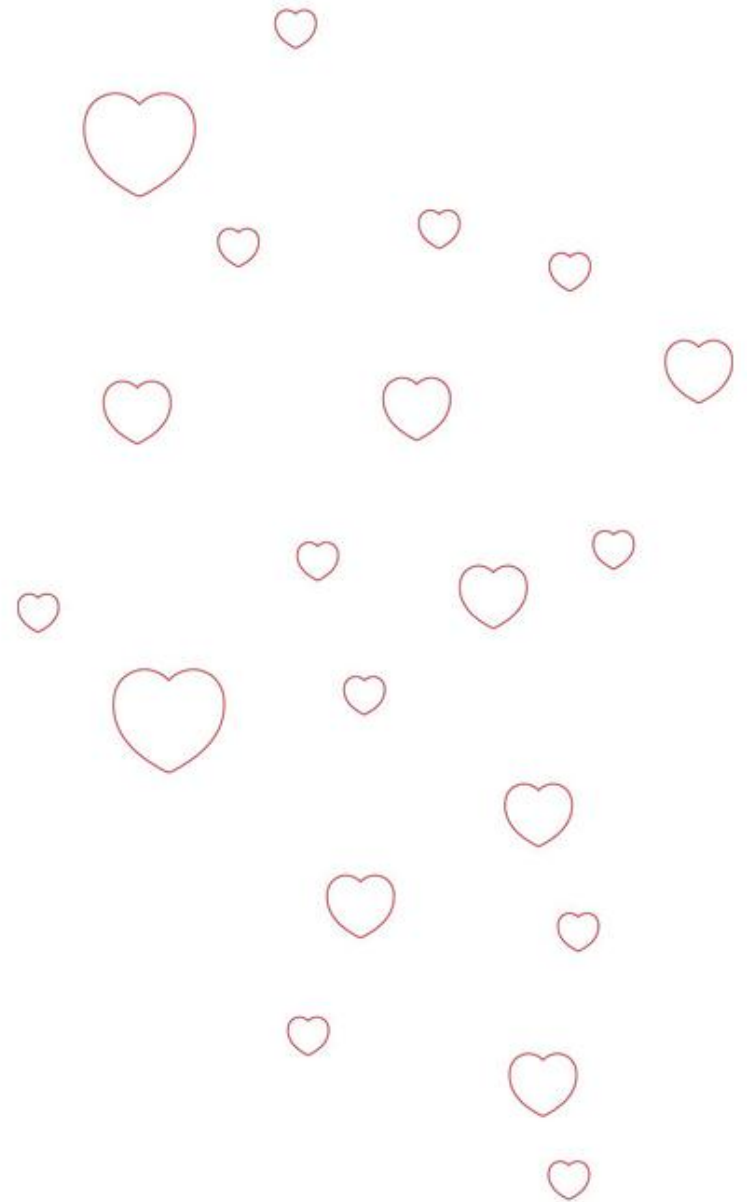
South East Europe (Albania, Bosnia and Herzegovina, Montenegro, Kosovo, Macedonia, Slovenia, Serbia)

Central Europe (Czech Republic, Hungary, Poland, Slovakia)

Western Europe, overseas countries and the Orient (Austria, Australia, Benelux, France, Canada, Germany, Great Britain, Scandinavia, Switzerland, Turkey, USA, other countries)

Eastern Europe (Bulgaria, Pribaltic, Romania, Russia, Ukraine, other countries of EE)

Business results



Podravka Group business results

HRK mn

PODRAVKA GROUP	REPORTED RESULTS		RESULTS CORRECTED FOR ONE-OFF ITEMS		change (reported results)	change (results corrected for one-off items)
	Jan-Jun 2012	Jan-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jan-Jun 2012 / Jan-Jun 2011	Jan-Jun 2012 / Jan-Jun 2011
Sales	1,720.5	1,724.2	1,720.5	1,724.2	0%	0%
Gross profit	658.3	668.7	658.3	668.7	-2%	-2%
EBITDA	160.8	181.1	168.2	167.3	-11%	1%
EBIT	84.2	102.2	91.6	88.4	-18%	4%
Net profit	39.1	55.6	46.5	46.7	-30%	0%
<i>Profit margins %</i>						
Gross margin	38.3	38.8	38.3	38.8	-50bp	-50bp
EBITDA margin	9.3	10.5	9.8	9.7	-120bp	10bp
EBIT margin	4.9	5.9	5.3	5.1	-100bp	20bp
Net margin	2.3	3.2	2.7	2.7	-90bp	0bp

Business results of SBA Food & Beverages

HRK mn

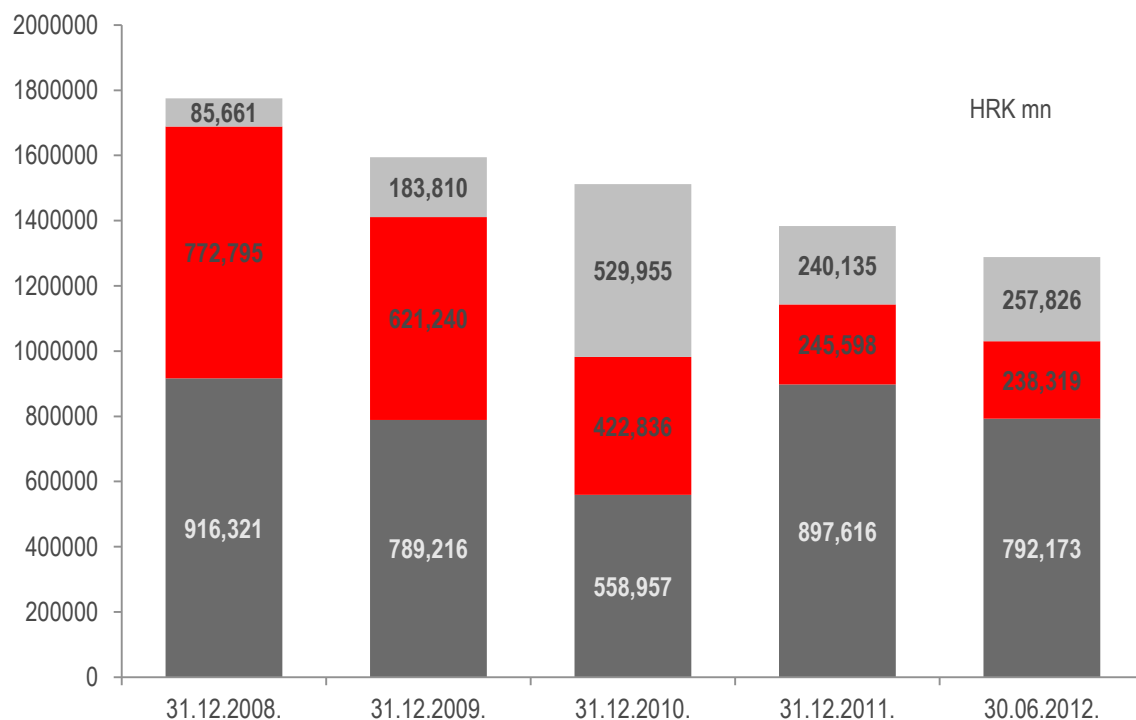
SBA FOOD & BEVERAGES	REPORTED RESULTS		RESULTS CORRECTED FOR ONE-OFF ITEMS		change (reported results)	change (results corrected for one-off items)
	Jan-Jun 2012	Jan-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jan-Jun 2012 / Jan-Jun 2011	Jan-Jun 2012 / Jan-Jun 2011
Sales	1,333.2	1,369.9	1,333.2	1,369.9	-3%	-3%
Gross profit	452.8	481.9	452.8	481.9	-6%	-6%
EBITDA	88.4	97.0	95.6	106.8	-9%	-10%
EBIT	35.0	40.3	42.2	50.1	-13%	-16%
Net profit	8.5	15.9	15.7	25.7	-47%	-39%
<i>Profit margins %</i>						
Gross margin	34.0	35.2	34.0	35.2	-120bp	-120bp
EBITDA margin	6.6	7.1	7.2	7.8	-50bp	-60bp
EBIT margin	2.6	2.9	3.2	3.7	-30bp	-50bp
Net margin	0.6	1.2	1.2	1.9	-60bp	-70bp

Business results of SBA Pharmaceuticals

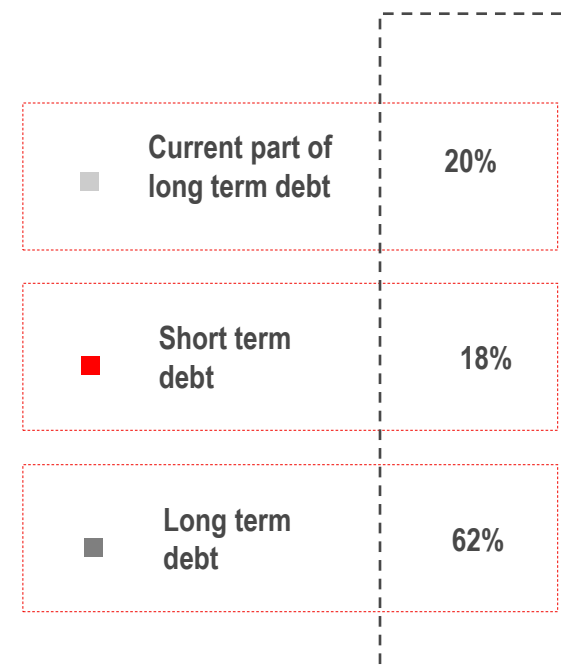
HRK mn

SBA PHARMACEUTICALS	REPORTED RESULTS		RESULTS CORRECTED FOR ONE-OFF ITEMS		change (reported results)	change (results corrected for one-off items)
	Jan-Jun 2012	Jan-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jan-Jun 2012 / Jan-Jun 2011	Jan-Jun 2012 / Jan-Jun 2011
Sales	387.3	354.3	387.3	354.3	9%	9%
Gross profit	205.4	186.9	205.4	186.9	10%	10%
EBITDA	72.4	84.1	72.6	60.5	-14%	20%
EBIT	49.3	61.9	49.5	38.3	-20%	29%
Net profit	30.6	39.7	30.8	21.0	-23%	47%
<i>Profit margins %</i>						
Gross margin	53.0	52.8	53.0	52.8	20bp	20bp
EBITDA margin	18.7	23.7	18.7	17.1	-500bp	160bp
EBIT margin	12.7	17.5	12.8	10.8	-480bp	200bp
Net margin	7.9	11.2	8.0	5.9	-330bp	210bp

Indebtedness decrease in 1H 2012 for HRK 95 mn



Debt structure as of 30/06/2012



decrease of debt for HRK 95 million (-7%)

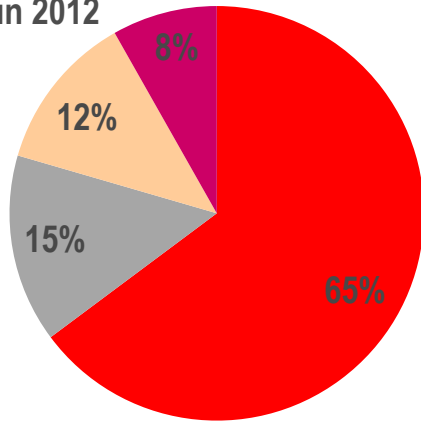
Slowing down in increase of COGS, compared to the last two quarters of 2011

HRK 1,638.5 mn

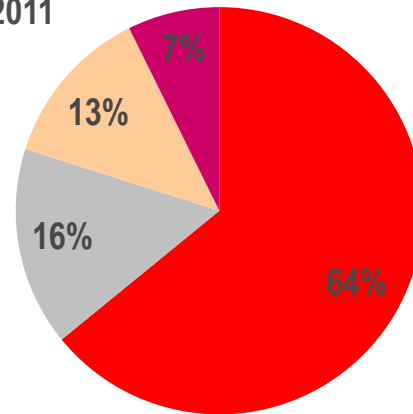
HRK 1,645.9 mn

OPERATING COSTS

Jan-Jun 2012

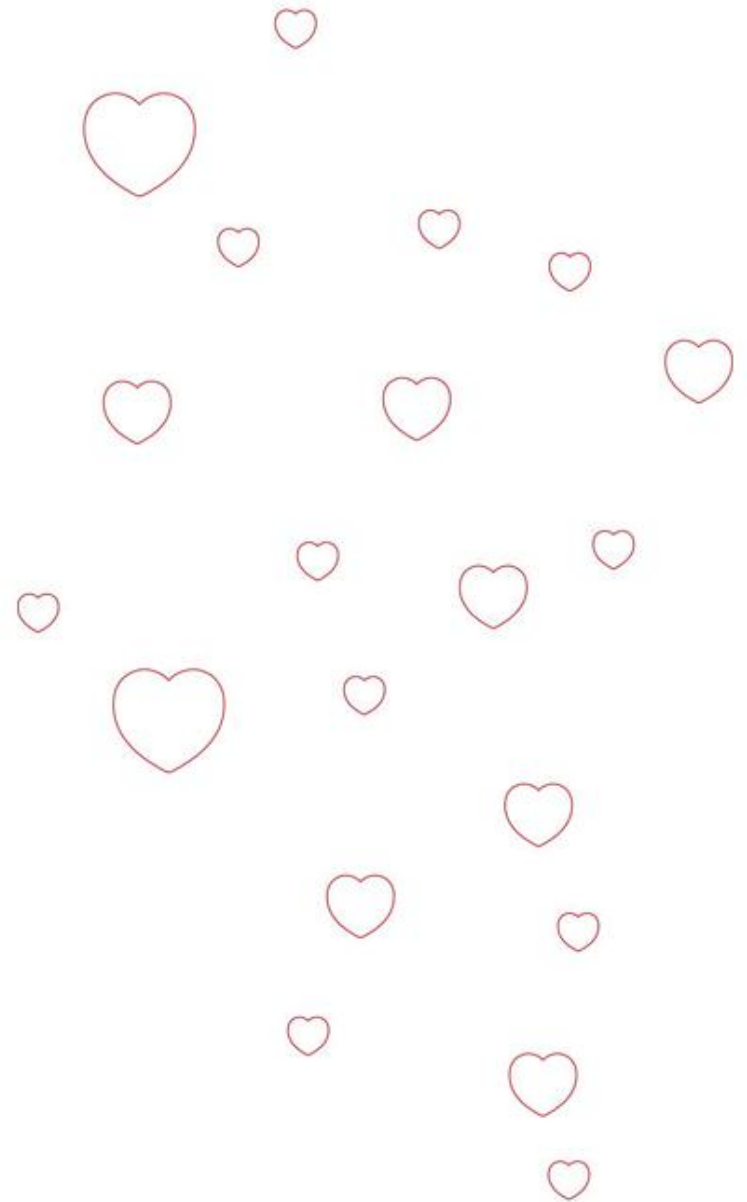


Jan-Jun 2011



	2012 / 2011	% of sales 30/06/2012	% of sales 30/06/2011
■ Cost of goods sold	+1%	62%	61%
■ Selling & distribution costs	-7%	14%	15%
■ Marketing expenses	-5%	12%	12%
■ General & administrative expenses	+13%	7%	7%
■ ■ ■ ■ Total	0%	95%	95%

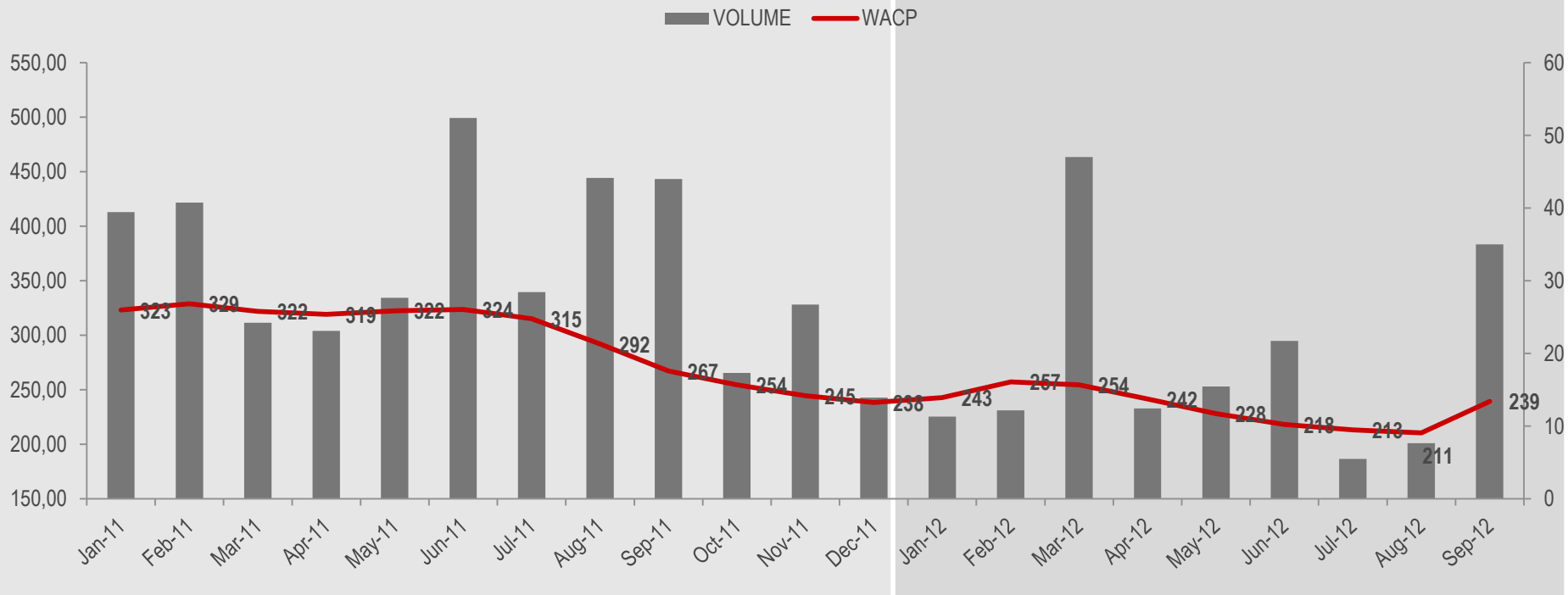
Share performance



Share price and volume movement

HRK

'000 pieces



TICKERS

ZAGREB STOCK EXCHANGE
PODR-R-A

BLOOMBERG
PODRRA:CZ

REUTERS
PODR.ZA

Jan-Dec 2011

Jan-Aug 2012

* data for September are up to 25/09/2012

Last price	231.00	215.50
Highest price	343.97	266.93
Lowest price	227.51	205.04
Turnover (HRK mn)	115.00	31.91
Mcap (HRK mn)	1,252.02	1,168.01

Private domestic pension funds have increased share in shareholders structure

Shareholders structure as of 21 September 2012

■ GAMA / CIPI	575,598	11%
■ GAMA / Republic of Croatia	535,567	10%
■ Erste plavi MPF	514,863	9%
■ AZ MPF	488,106	9%
■ PBZ Croatia osiguranje MPF	474,607	9%
■ Unicredit Bank Austria AG*	423,682	8%
■ Kapitalni fond d.d.	321,804	6%
■ Raiffeisen MPF	201,369	4%
■ PBZ d.d.*	101,027	2%
■ PBZ d.d./State street client account	66,798	1%
■ Treasury account	177,511	3%
Other owners	1,539,071	28%
Total	5,420,003	

Shareholders structure as of 1 July 2011

■ FIMA AMI Ltd.	576,880	11%
■ GAMA/CIPI	575,598	11%
■ GAMA/republic of Croatia	535,086	10%
■ Unicredit Bank Austria AG*	436,817	8%
■ PBZ Croatia osiguranje MPF	349,974	6%
■ Erste plavi MPF	325,163	6%
■ AZ MPF	324,291	6%
■ Kapitalni fond d.d.	321,804	6%
■ Raiffeisen MPF	176,512	3%
■ PBZ d.d.*	104,145	2%
■ Treasury account	177,511	3%
Other owners	1,516,222	28%
Total	5,420,003	

GAMA (Government Asset Management Agency), CIPI (Croatian Institute for Pension Insurance), MPF (Mandatory Pension Fund)
*omnibus custody account

Always with a heart



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