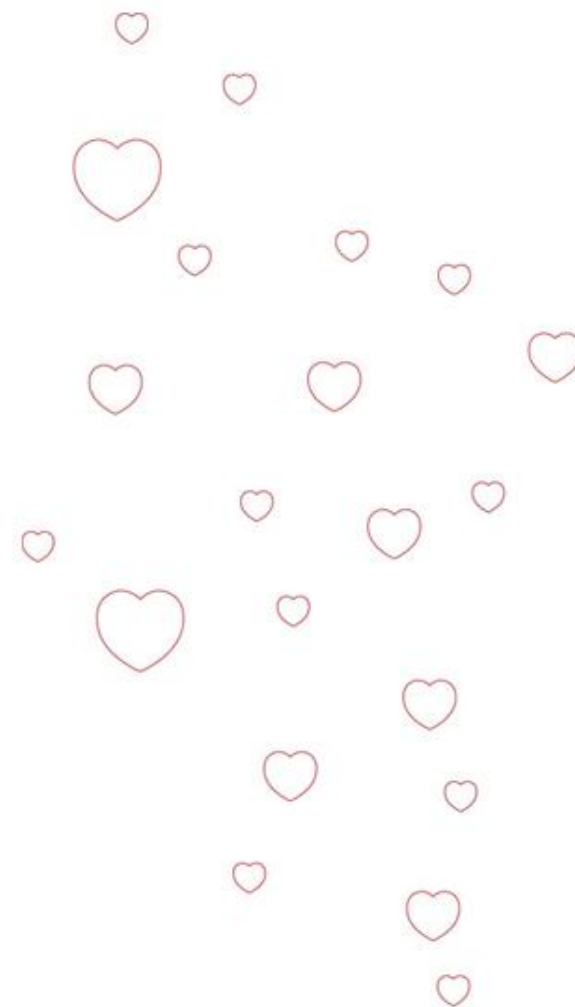
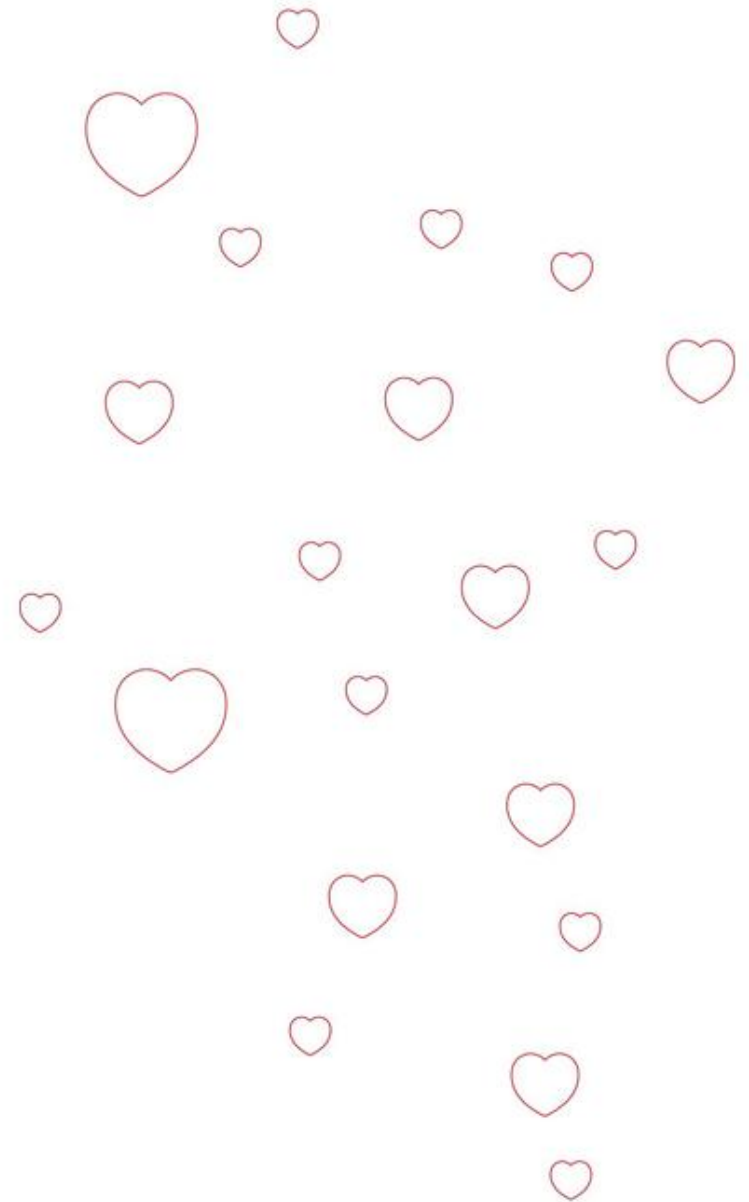


# General Assembly

22 July 2008, Koprivnica



# Overview of key events 2007



# Growth and development of Podravka brands

**SALES GROWTH OF  
PODRAVKA BRANDS**

**+8%**

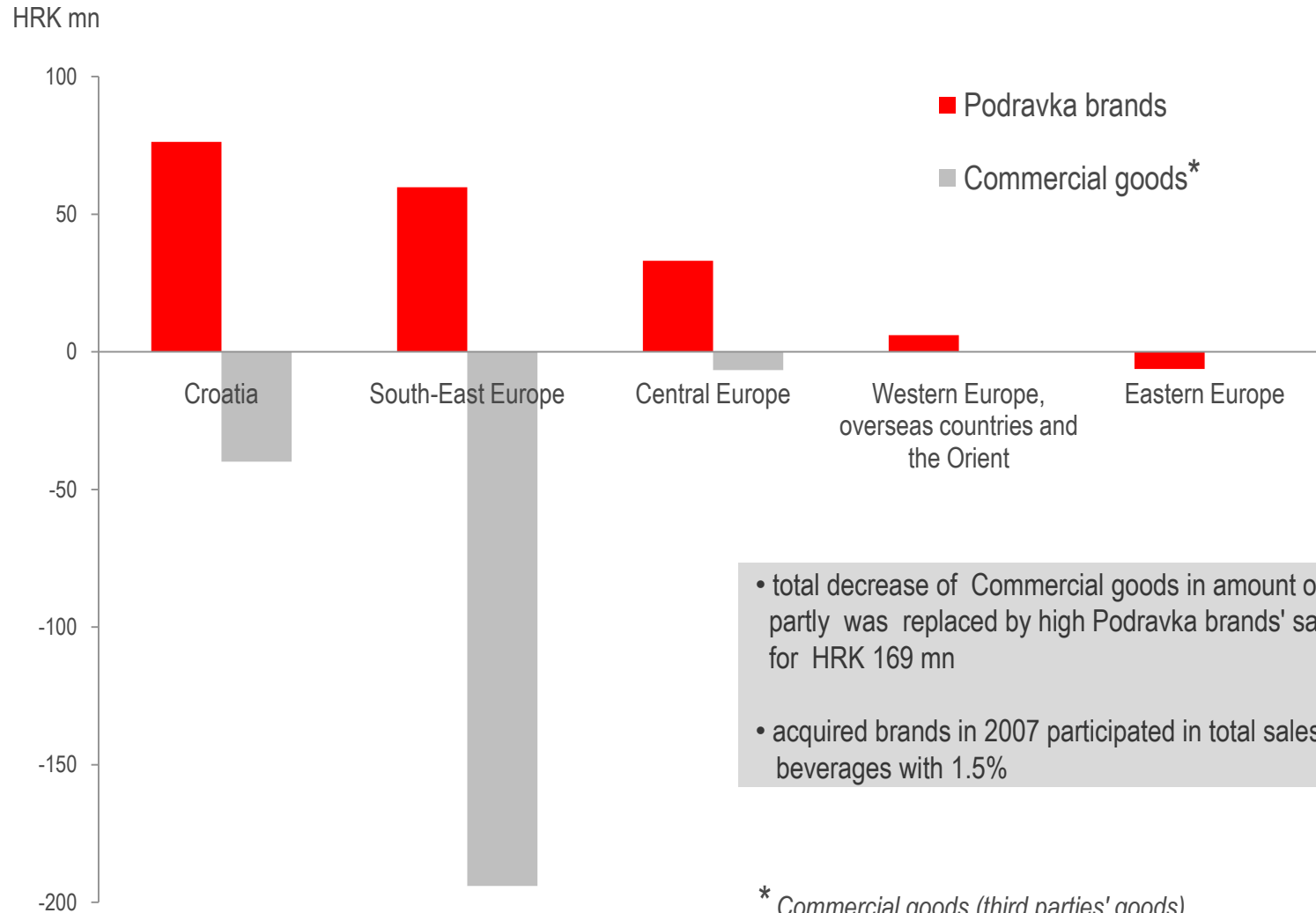
**NEW PRODUCTS  
DEVELOPMENT**

**HIGHER AND EFFICIENT  
MARKETING INVESTMENTS**

**+14%**

# Sales movement of SBA Food and beverages

Sales differences of Podravka brands and Commercial goods  
(2007 / 2006)



# Marketing activities in 2007

Medvjedi su najbolji, najjednostavniji i najpametniji od svih životinja na svijetu!

PODRAVKA

Eva. Iz sreća mora.

PODRAVKA

**NOVO**

Lino

mljeveni keksi

- ✓ od visokokvalitetnog brašna i maslaca
- ✓ bogatstva mikroelemenata - vitamina - minerala
- ✓ brzo priprema i ispečenje

Prirodna i zdrava Lino dječja hrana

PODRAVKA

Od sreća sreću

PODRAVKA

PODRAVKA

Osvježenje s Dalekog istoka!

**NOVO!**

VICEZ TEA

zeleni čaj

PODRAVKA

voćni čaj brusnica

NOVO!

PODRAVKA

**Čokolino**

svijet po tvom

OKUS KOJI SE PAMTI.

PODRAVKA

Fina obitelj.

Gotovo za samo 2 min.

PODRAVKA

Podravka gotova jela. U okusu je tajna cijela.

PODRAVKA

www.podravka.com

# Investments and acquisitions

**INVESTMENTS**

**ACQUISITIONS**

# Investments and acquisitions

TOTAL INVESTMENTS	HRK 291.4 mn	
BRAND ACQUISITIONS	HRK 116.6 mn	
INVESTMENTS	HRK 174.8 mn	

## THE MOST IMPORTANT INVESTMENTS BY PRODUCT GROUP:

- Baby food & Cream Spread
- Meat & meat products
- Pharmaceuticals (registrations and new equipment)





# Acquisition cycle in 2007

## Warzywko and Perfecta (Poland)



acquiring Warzywko Podravka strengthened its leader position on the Polish market of food seasonings

acquiring Warzywko Podravka entered "medium price" segment on the Polish market and expanded consumer base

## Lero (Croatia)



expanded Podravka's existing product assortment to category of juices, nectars, syrups and other non-alcoholic beverages

introducing Lero into its existing sales structure, Podravka accomplished costs synergy in sales and distribution

"Warzywko – the maximum of vegetables in the kitchen" - new TV campaign on Polish market

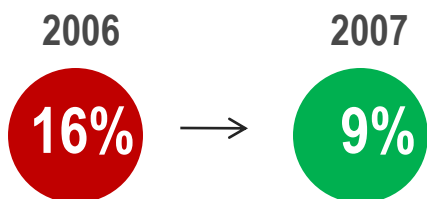




# Gross margin growth of SBA Food and Beverages

**SALES DECREASE OF  
COMMERCIAL GOODS IN  
TOTAL GROUP SALES**

**COMPLEXITY  
MANAGEMENT**



# Product portfolio optimization (SKU)

product portfolio optimization start

continuous process

- SKUs with non-satisfactory turnover
- SKUs with non-satisfactory profitability

2005

- defining terms for keeping SKU in product portfolio
- optimization includes  $\approx 10,000$  SKU within SBA Food & beverages

2006

- $\approx 2,000$  SKU discontinued
- gross margin of SBA Food & beverages increased for 10 bp

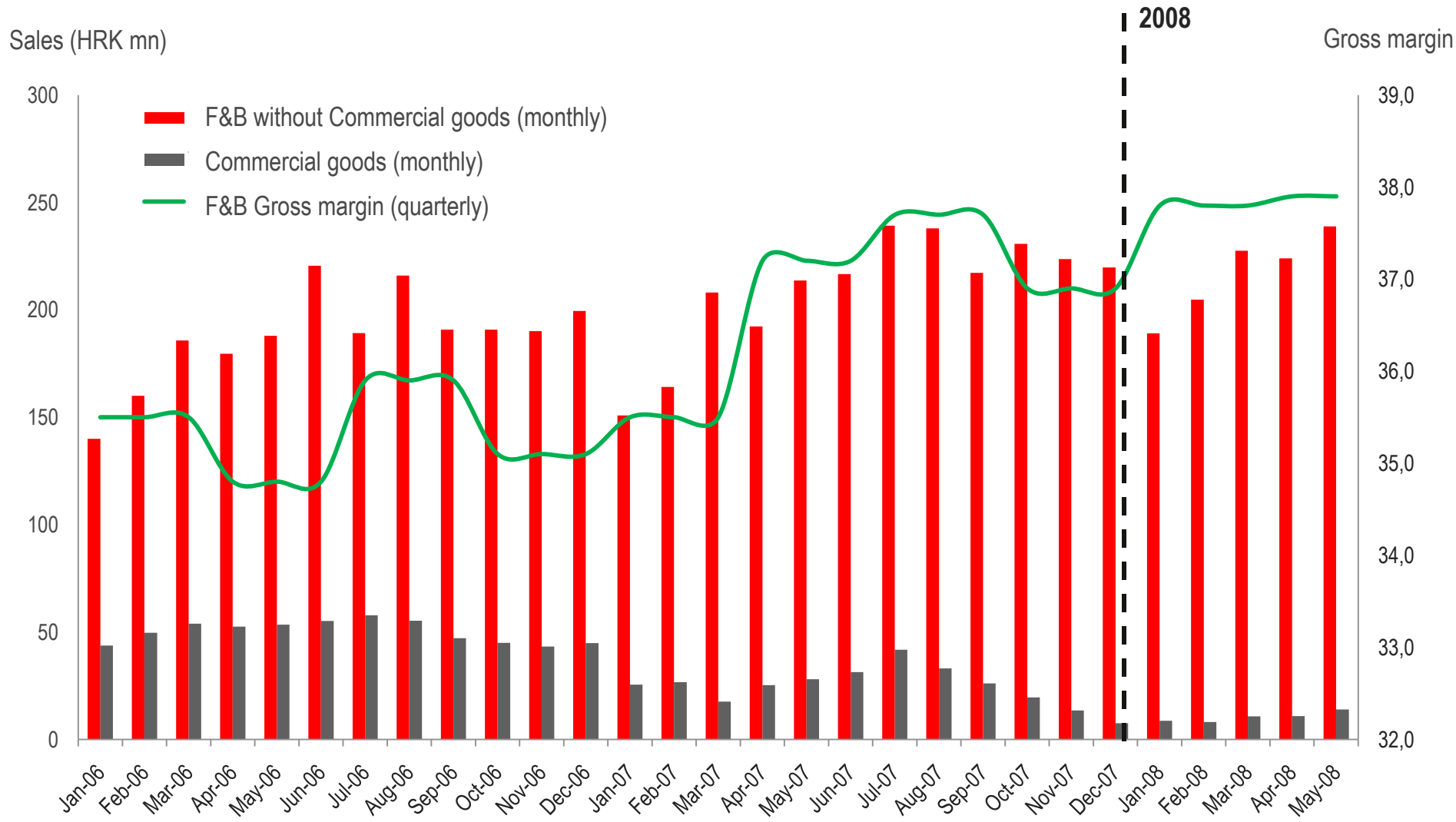
2007

- $\approx 3,000$  SKU discontinued
- gross margin of SBA Food & beverages increased for 180 bp

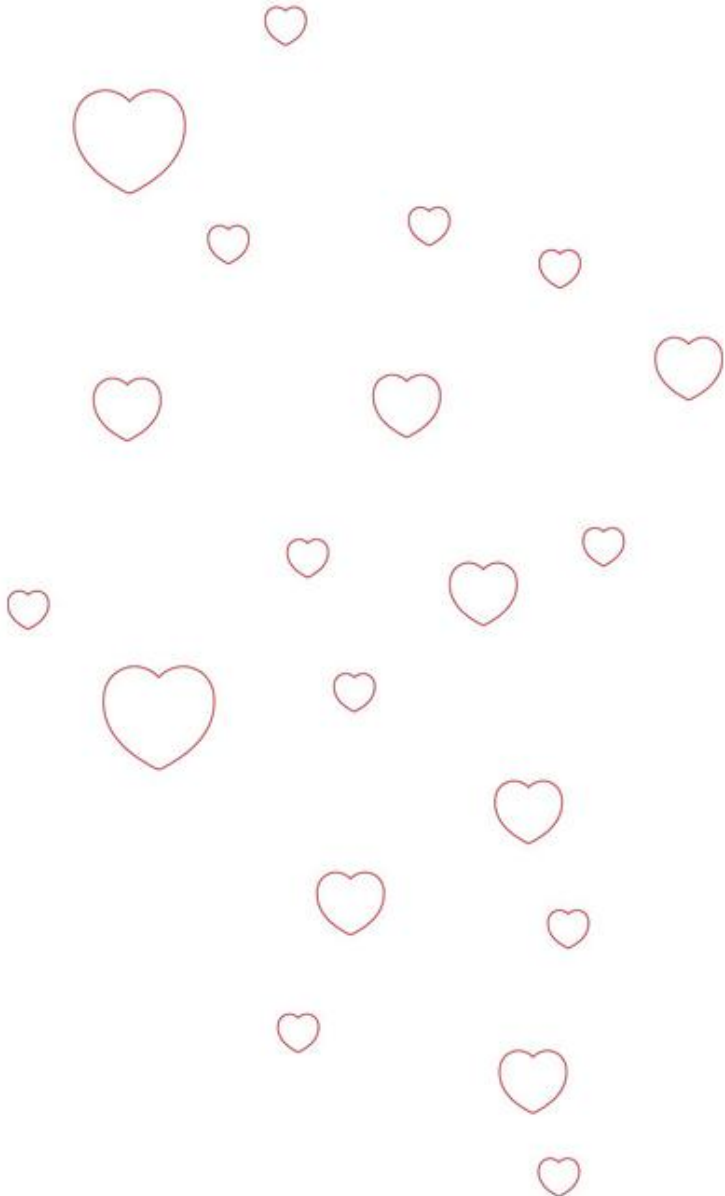
SKU Stock-keeping Unit

# Positive movement of Food&Beverages gross margin

Sales and profitability movement

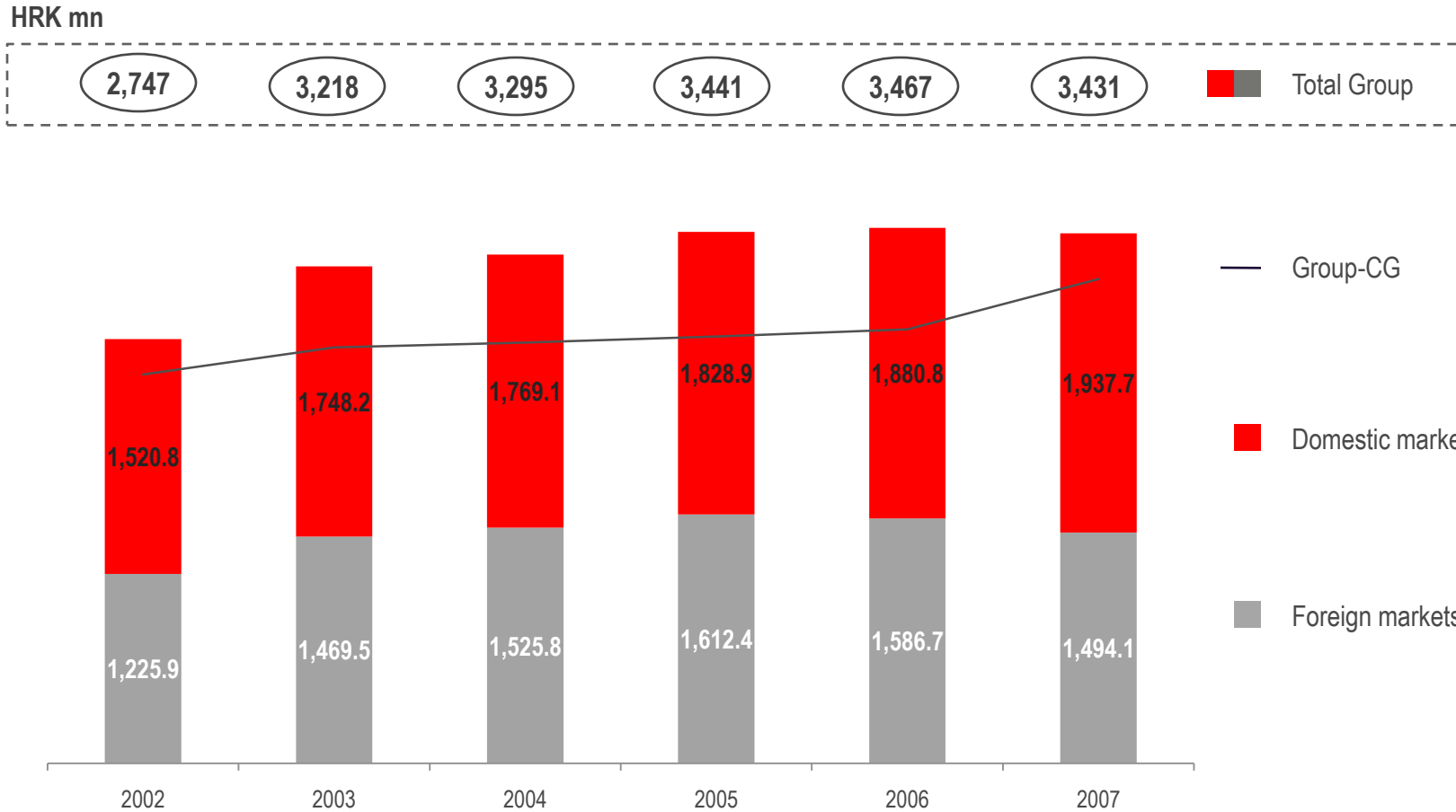


# Podravka Group business results 2007



# Sales of the Podravka Group

Sales growth on domestic and foreign markets  
2002 – 2007



**CAGR\***  
2002 – 2007

3.8 %

3.7 %

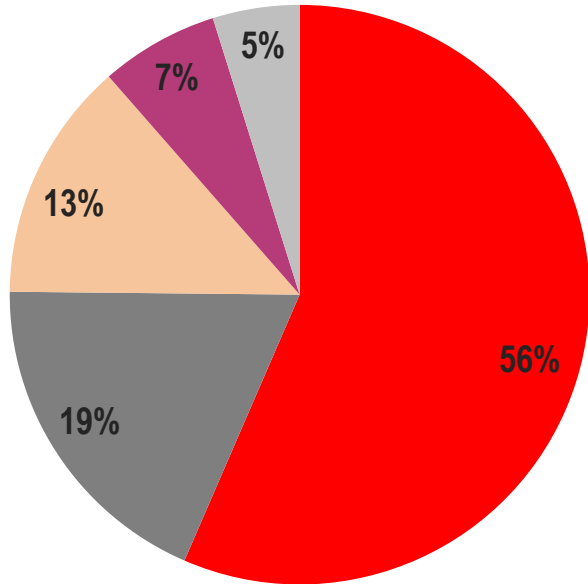
4.1 %

3.3 %

\* Compound Annual Growth Rate

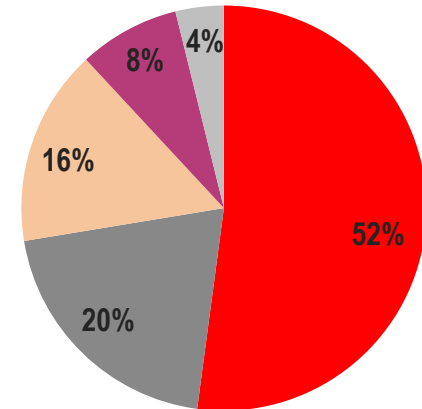
# Sales structure per markets

Sales structure per markets

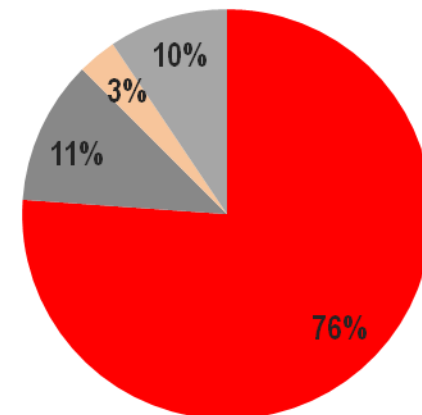


- Croatia
- South-East Europe
- Central Europe
- Western Europe, overseas countries & the Orient
- Eastern Europe

Sales structure of SBA Food & beverages per markets



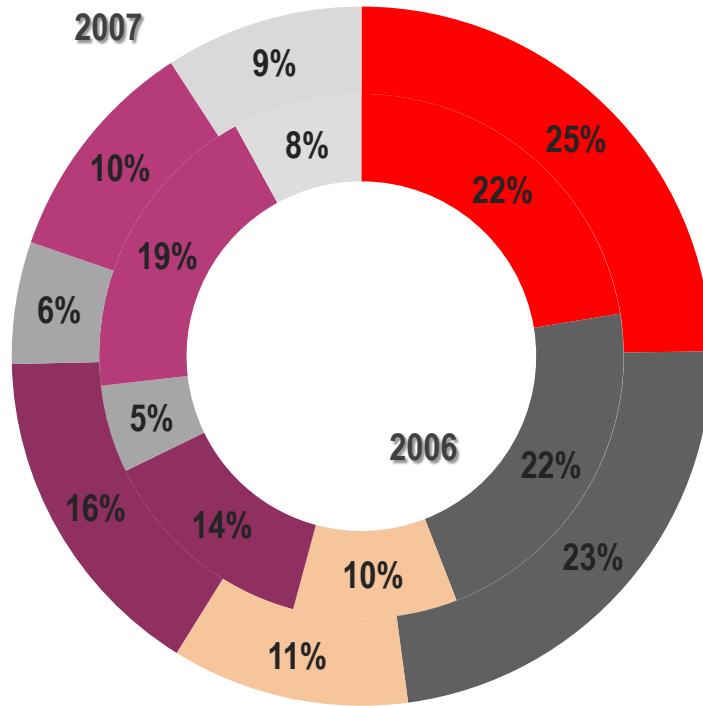
Sales structure of SBA Pharmaceuticals per markets



\* according to the small participation of 0.2% in total Group's sales SBA Services is not part of this analyse



# SBA Food & beverages



Food seasonings	+4%
Podravka dishes	+5%
Baby food, Sweets & Snack	+7%
Meat products and Canned fish	+14%
Beverages	+23%
Commercial goods	-55%
Other (F&B)	+13%

Sales of SBA Food & beverages

**HRK 2,810.6 mn**

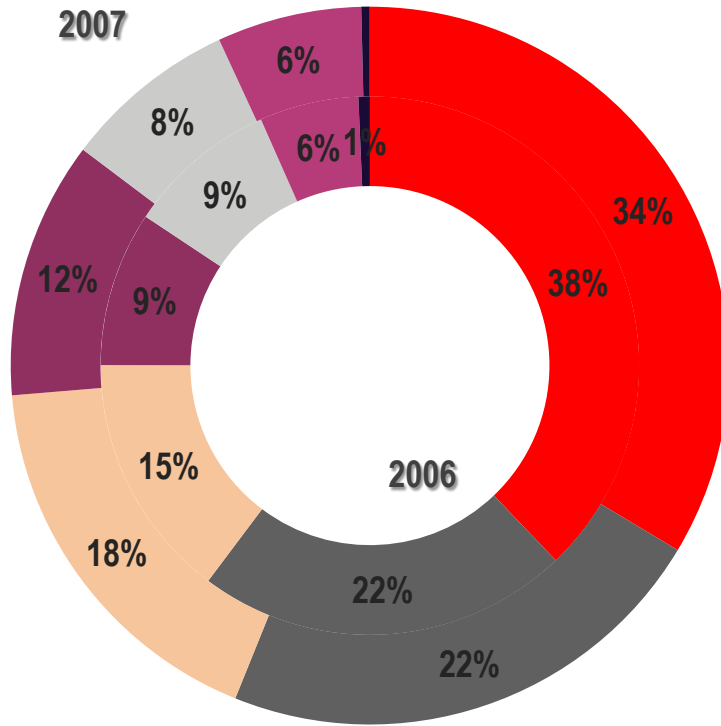
Sales growth of SBA Food & beverages

**-1%**

Sales growth of Podravka brands

**+8%**

# SBA Pharmaceuticals



■ Blood & Blood forming organs, Hearth & Cardiovascular system	-10%
■ Musculoskeletal & Nervous system	+2%
■ Dermatologicals	+21%
■ OTC	+27%
■ General anti-infectives & Antiparasitic Medicines	-12%
■ Respiratory, Digestive & Genitourinary system	+11%
■ Other	-44%

Sales of SBA Pharmaceuticals **HRK 614.3 mn**

Sales growth of SBA Pharmaceuticals **+2%**

Sales of SBA Pharmaceuticals

**HRK 614.3 mn**

Sales growth of SBA Pharmaceuticals

**+2%**

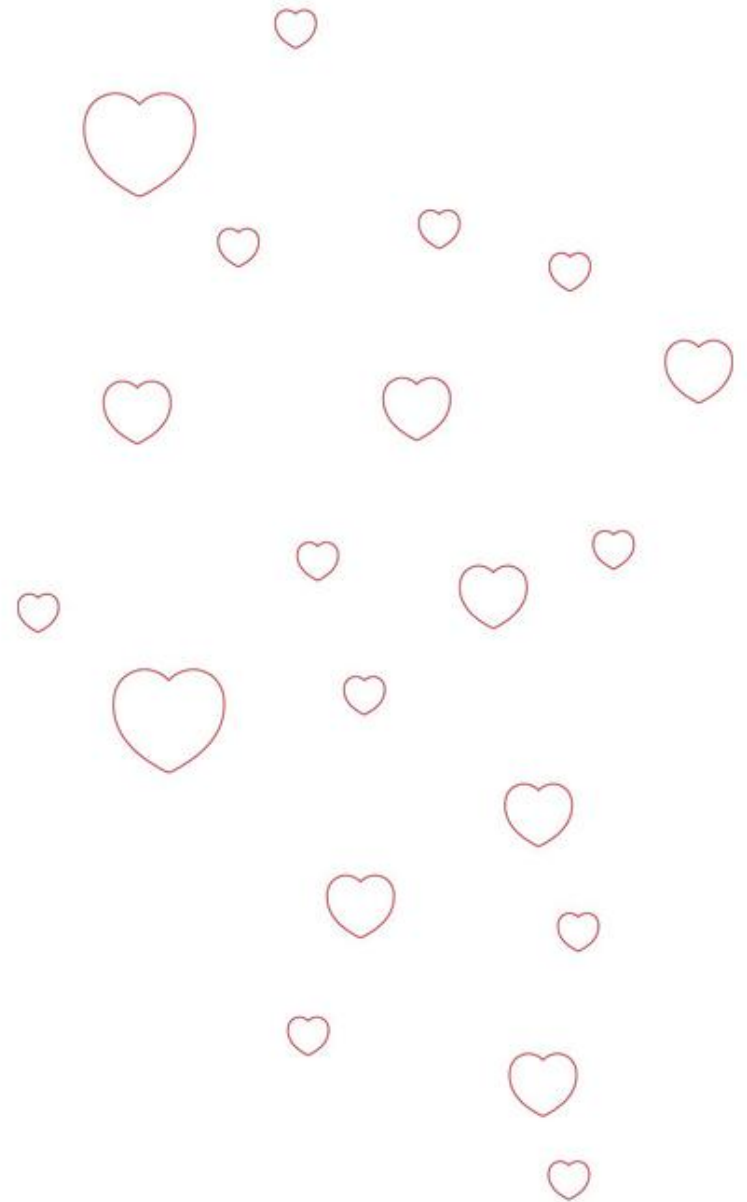
# Podravka Group business results for 2007

in millions of HRK

	Podravka Group			SBA Food & beverage			SBA Pharmaceuticals		
	2007	2006	07/06	2007	2006	07/06	2007	2006	07/06
Sales	3,431.80	3,467.50	-1%	2,810.60	2,852.0	-1%	614.3	605.1	2%
Gross profit	1,415.90	1,351.20	5%	1,038.40	1,000.3	4%	377.5	350.5	8%
EBITDA	255.8	327.5	-22%	106.2	143.0	-26%	149.6	184.2	-19%
EBIT	92.3	126.2	-27%	-23.6	-14.0	-69%	115.9	139.9	-17%
Net profit	18.3	60.4	-70%	-60.5	-40.6	-49%	78.9	100.7	-22%
Gross margin %	41.3	39	230 bp	36.9	35.1	180 bp	61.5	57.9	360 bp
EBITDA margin %	7.5	9.4	-190 bp	3.8	5	-120 bp	24.4	30.4	-600 bp
EBIT margin %	2.7	3.6	-90 bp	-0.8	-0.5	-30 bp	18.9	23.1	-420 bp
Net margin %	0.5	1.7	-120 bp	-2.2	-1.4	-80 bp	12.8	16.6	-380 bp



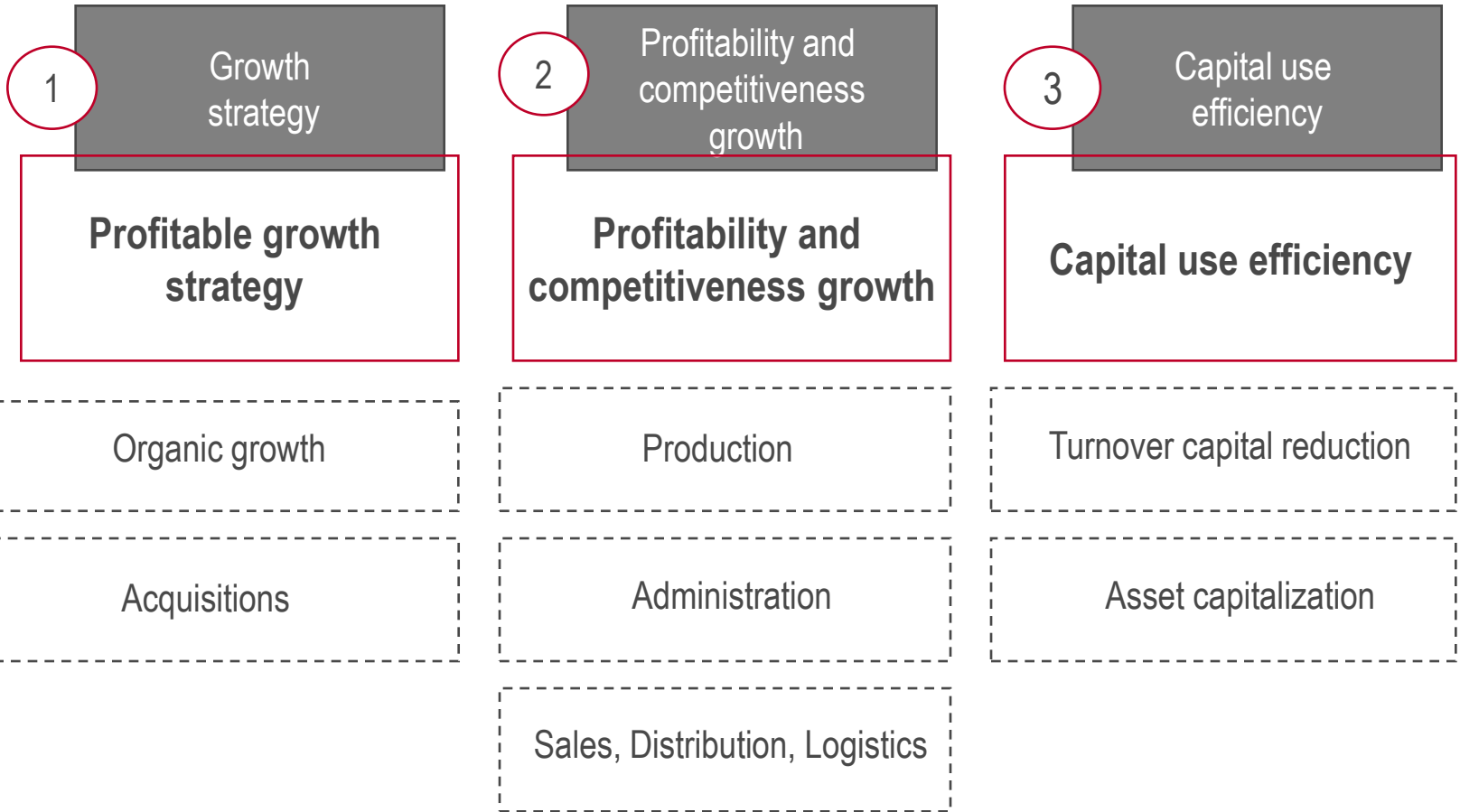
# Strategy 2008 – 2011



# Strategy 2008 - 2011

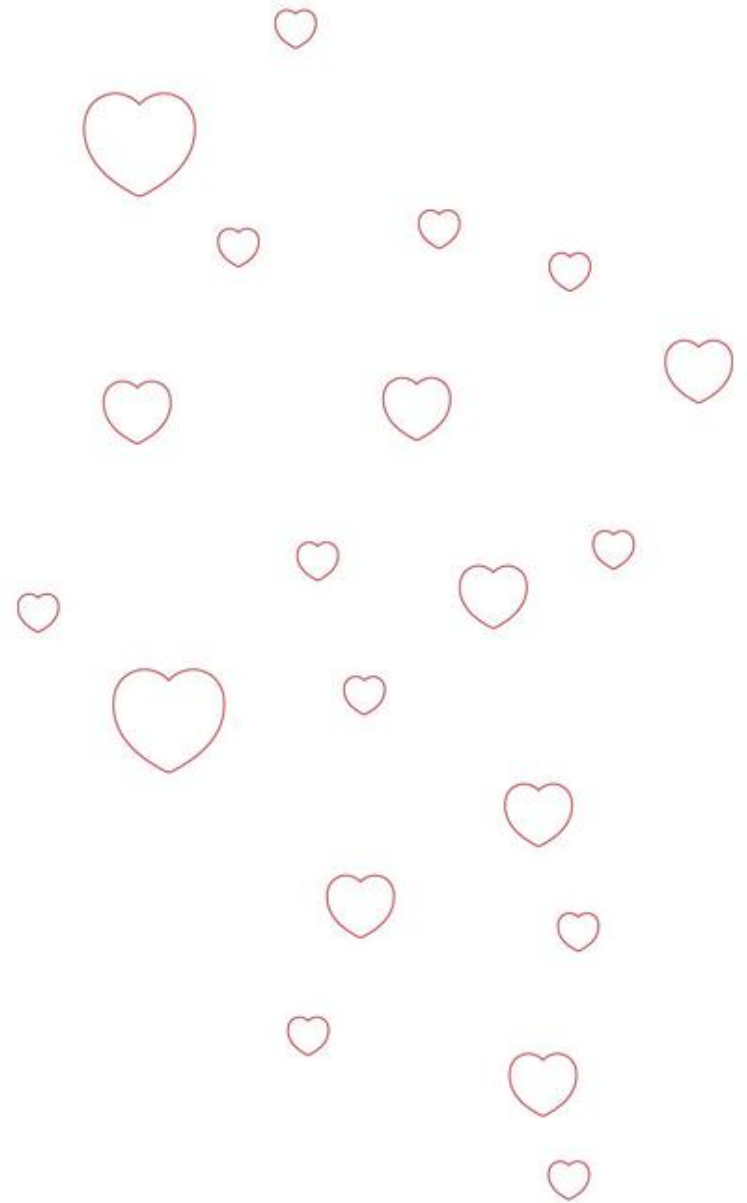
2008

PRIORITIES





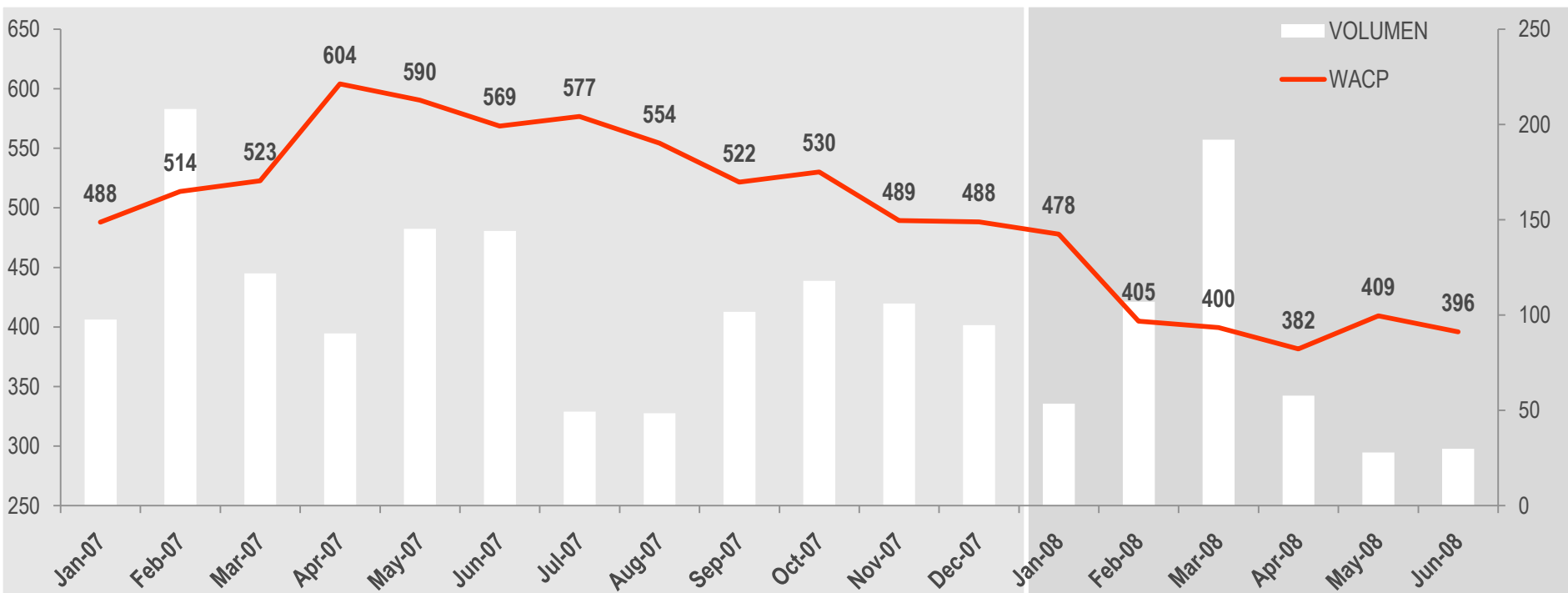
Share



# Share price and volume movement 2007- 1H 2008

HRK

'000 pieces



	2007	2006
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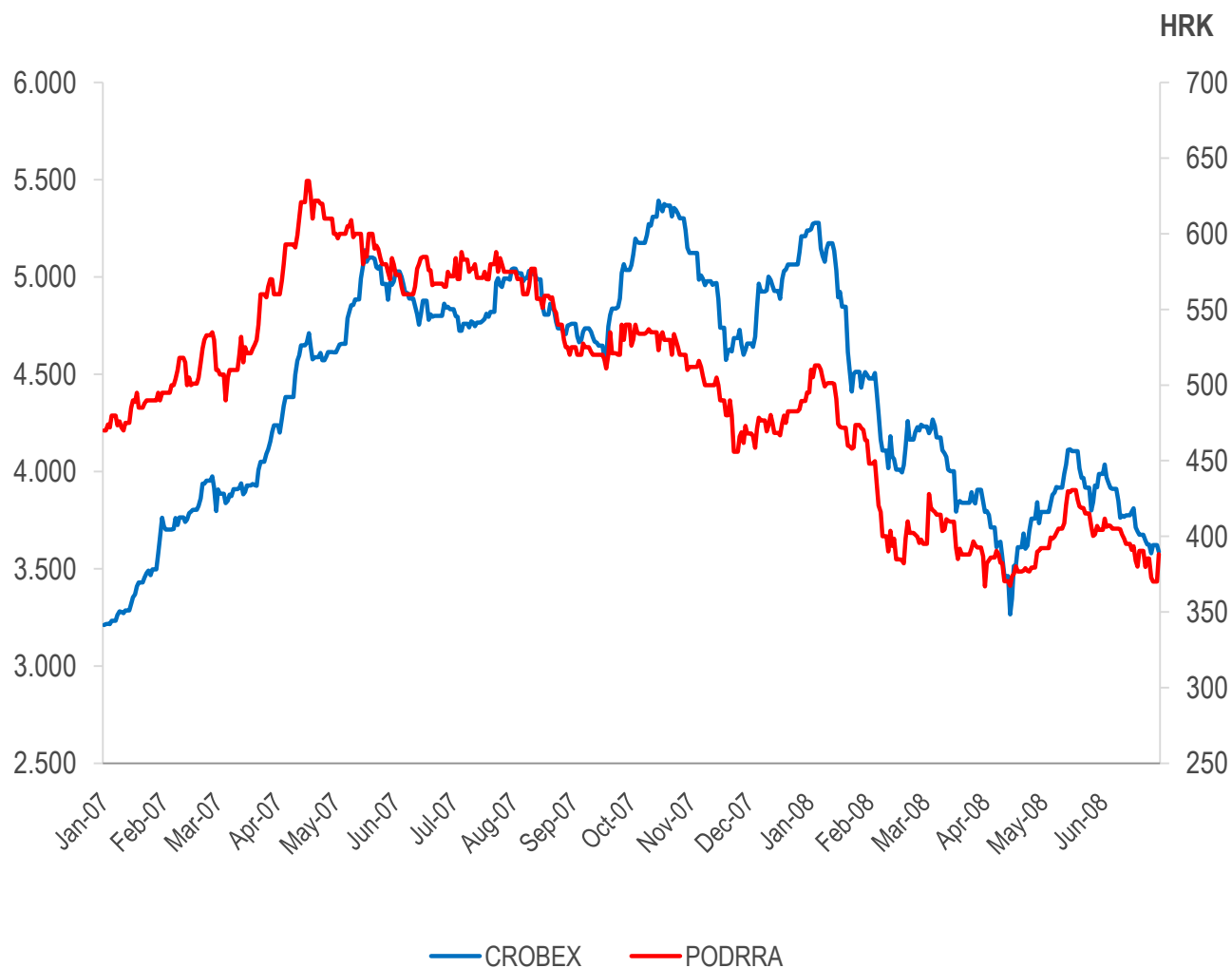
EPS	3.43	11.24
P/E	148.63	41.83
BVPS	358.9	322.3
P/B	1.4	1.5
P/S	0.8	0.7
P/EBIT	30.0	20.2
P/EBITDA	10.8	7.8

	2007	Jan-Jun 2008
--	------	--------------

Close price	510.00	<b>375.01</b>
Highest price	645.00	<b>514.00</b>
Lowest price	440.00	<b>351.10</b>
WACP	535.25	<b>407.98</b>
Turnover (HRK mn)	707.5	<b>185.0</b>
Market cap. (HRK mn)	2,764.2	<b>2,032.6</b>

# Comparative movement of PODR-R-A and CROBEX

Comparative movement of PODR-R-A i CROBEX-a



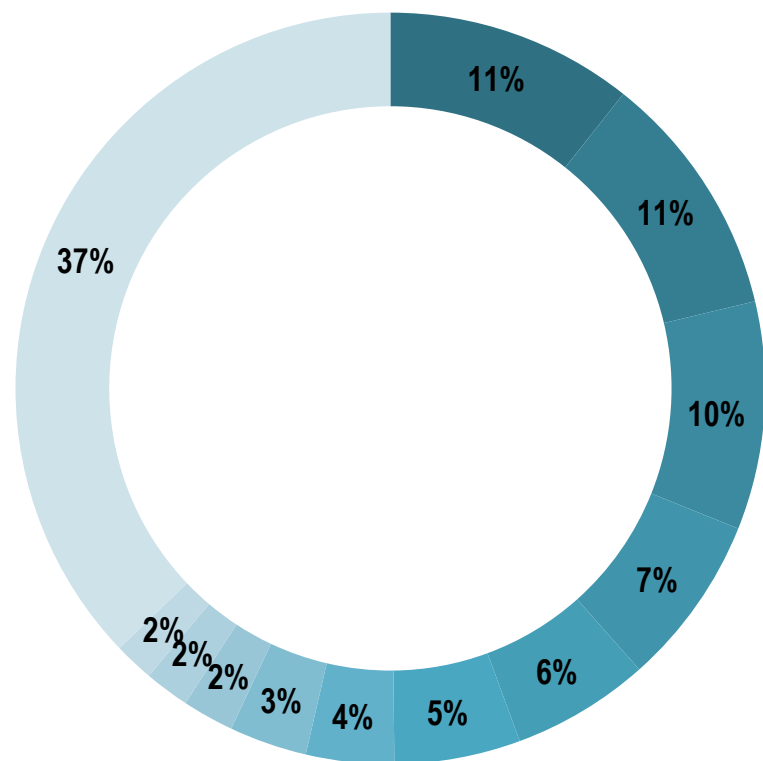
## INDEX WEIGHT (30 /06/2008)

CROBEX	3.910%
CROEMI	5.506%
CROX	5.310%
SETX (EUR)	0.857%

## RECOMMENDATIONS

ERSTE	ACCUMULATE
FIMA	HOLD
HAAB	HOLD
RBA	HOLD

# Shareholder structure as of 15 July 2008



▶ TOP 10	61.1%
▶ other legal and natural persons	38.9%

■ FIMAAMI Ltd.	576.880
■ CPF / CIPI	575.598
■ CPF	533.226
■ Bank Austria Creditanst. AG	399.586
■ Kapitalni fond d.d.	321.804
■ AZ MPF	293.778
■ PBZ Croatia osiguranje d.d. MPF	205.090
■ Erste plavi MPF	181.204
■ Skandinaviska Enskilda banken	120.520
■ Raiffeisenbank Austria d.d./R5	104.654
■ Treasury account	93.028
■ Others	2.014.635
Total	5.420.003

CPF (Croatian Privatization Fund), CIPI (Croatian Institute for Pension Insurance), MPF (Mandatory Pension Fund)

Always with a heart

