



MANAGEMENT BOARD

Koprivnica, 30th October 2013

QUARTERLY FINANCIAL REPORT PODRAVKA d.d.

1. – 9. 2013.

Appendix 1
Reporting period:

1.1.2013

to

30.9.2013.

Quarterly financial report of entrepreneur - TFI-POD

Registration number (MB) **03454088**

Identification number of subject (MBS) **010006549**

Personal identification number (OIB) **18928523252**

Issuer company: **PODRAVKA prehrambena industrija d.d., KOPRIVNICA**

Postal code and place **48000** **KOPRIVNICA**

Street and number **ANTE STARČEVIĆA 32**

E-mail address: **podravka@podravka.hr**

Internet address: **www.podravka.com**

Code and name of comune/town **201** **KOPRIVNICA**

Code and county name **6** **KOPRIVNIČKO-KRIŽEVAČKA** Number of employees **3.451**

(at quarter end)

Consolidated statement **NO** NKD/NWC code: **1039**

Subsidiaries subject to consolidation (according to IFRS):

Headquarters

Registration number:

Subsidiaries subject to consolidation (according to IFRS):	Headquarters	Registration number:

Book keeping service: _____

Contact person: **Celiščak Draga**

(authorised person for representation)

Phone number: **048 651 200** Fascimile: **048 220 562**

E-mail address: **draga.celiscak@podravka.hr**

Surname and name **Mršić Zvonimir**

(authorised person for representation)

Disclosure documents:

1. Financial statements (balance sheet, profit and loss account, cash flow statement, statement shareholders' equity and notes to the financial statements)
2. Interim management Report
3. Statement of responsible persons for preparation of financial statements

PODRAVKA
PREHRAMBENA INDUSTRIJA d.d.
KOPRIVNICA 173

(signed by authorised person for representation)

BALANCE SHEET
as at 30.9.2013.

Obligatör: Podravka prehrambena industrija d.d., Koprivnica

Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001	0	0
B) LONG-TERM ASSETS (003+010+020+029+033)	002	1.479.050.198	1.410.890.876
I. INTANGIBLE ASSETS (004 to 009)	003	115.583.415	113.701.446
1. Assets development	004	0	0
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	115.005.032	109.425.166
3. Goodwill	006	0	0
4. Prepayments for purchase of intangible assets	007	0	0
5. Intangible assets in preparation	008	578.383	4.276.280
6. Other intangible assets	009	0	0
II. TANGIBLE ASSETS (011 to 019)	010	840.975.306	806.241.678
1. Land	011	24.706.887	24.703.373
2. Buildings	012	518.508.235	494.760.283
3. Plant and equipment	013	240.632.428	228.676.365
4. Tools, facility inventory and transport assets	014	4.185.776	3.652.708
5. Biological assets	015	0	0
6. Prepayments for tangible assets	016	178.756	1.218.883
7. Tangible assets in progress	017	51.993.995	52.472.595
8. Other tangible assets	018	769.229	757.471
9. Investments in buildings	019	0	0
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	497.761.469	466.217.744
1. Investments (shares) with related parties	021	440.304.164	440.304.164
2. Loans given to related parties	022	53.844.277	22.127.736
3. Participating interest (shares)	023	907.000	907.000
4. Loans to entrepreneurs in whom the entity holds participating interests	024	0	0
5. Investments in securities	025	0	0
6. Loans, deposits and similar assets	026	2.706.028	2.878.844
7. Other long - term financial assets	027	0	0
8. Investments accounted by equity method	028	0	0
IV. RECEIVABLES (030 to 032)	029	0	0
1. Receivables from related parties	030	0	0
2. Receivables from based on trade loans	031	0	0
3. Other receivables	032	0	0
V. DEFERRED TAX ASSETS	033	24.730.008	24.730.008
C) SHORT TERM ASSETS (035+043+050+058)	034	1.027.867.684	1.034.857.179
I. INVENTORIES (036 to 042)	035	305.405.025	316.901.058
1. Raw-material and supplies	036	117.387.470	111.002.797
2. Work in progress	037	27.472.950	27.262.254
3. Finished goods	038	102.724.922	124.755.086
4. Merchandise	039	54.515.859	50.577.097
5. Prepayments for inventories	040	0	0
6. Long - term assets held for sales	041	3.303.824	3.303.824
7. Biological assets	042	0	0
II. RECEIVABLES (044 to 049)	043	520.110.791	475.424.290
1. Receivables from related parties	044	306.885.784	253.510.981
2. Accounts receivable	045	199.479.752	216.623.173
3. Receivables from participating parties	046	0	0
4. Receivables from employees and members of related parties	047	1.520.428	776.927
5. Receivables from government and other institutions	048	12.049.222	3.689.034
6. Other receivables	049	175.605	824.175
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	161.304.155	151.946.113
1. Shares (stocks) in related parties	051	59.880.215	59.880.215
2. Loans given to related parties	052	98.087.528	80.274.649
3. Participating interests (shares)	053	0	0
4. Loans to entrepreneurs in whom the entity holds participating interests	054	0	0
5. Investments in securities	055	3.334.211	11.303.681
6. Loans, deposits, etc.	056	2.201	487.568
7. Other financial assets	057	0	0
IV. CASH AT BANK AND IN CASHIER	058	41.047.713	90.585.718
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	10.179.880	9.284.359
E) TOTAL ASSETS (001+002+034+059)	060	2.517.097.762	2.455.032.414
F) OFF-BALANCE RECORDS	061	570.344.390	588.393.290

Obligator: Podravka prehrambena industrija d.d., Koprivnica

Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.081.827.471	1.115.985.732
I. SUBSCRIBED CAPITAL	063	1.626.000.900	1.084.000.600
II. CAPITAL RESERVES	064	25.561.463	43.669.680
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	-37.910.250	-45.842.809
1. Reserves prescribed by law	066	6.849.365	0
2. Reserves for treasury shares	067	21.761.692	21.761.693
3. Treasury stocks and shares (deduction)	068	67.604.502	67.604.502
4. Statutory reserves	069	0	0
5. Other reserves	070	1.083.195	0
IV. REVALUATION RESERVES	071	0	0
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	-511.133.833	0
1. Retained earnings	073	0	0
2. Accumulated loss	074	511.133.833	0
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	-20.690.809	34.158.261
1. Profit for the current year	076	0	34.158.261
2. Loss for the current year	077	20.690.809	0
IX. MINORITY INTERESTS	078	0	0
B) PROVISIONS (080 to 082)	079	34.727.787	39.411.630
1. Provisions for pensions, severance pay, and similar liabilities	080	15.414.100	15.414.100
2. Reserves for tax liabilities	081	0	0
3. Other reserves	082	19.313.687	23.997.530
C) LONG - TERM LIABILITIES (084 to 092)	083	683.721.067	552.853.561
1. Liabilities to related parties	084	0	0
2. Liabilities for loans, deposits etc.	085	0	0
3. Liabilities to banks and other financial institutions	086	683.721.067	552.853.561
4. Liabilities for received prepayments	087	0	0
5. Accounts payable	088	0	0
6. Liabilities arising from debt securities	089	0	0
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090	0	0
8. Other long-term liabilities	091	0	0
9. Deferred tax liability	092	0	0
D) SHORT - TERM LIABILITIES (094 to 105)	093	655.821.988	676.526.121
1. Liabilities to related parties	094	50.548.956	49.490.045
2. Liabilities for loans, deposits etc.	095	0	0
3. Liabilities to banks and other financial institutions	096	308.698.786	337.747.982
4. Liabilities for received prepayments	097	2.376.660	0
5. Accounts payable	098	248.398.644	248.622.908
6. Liabilities arising from debt securities	099	0	0
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	0	0
8. Liabilities to employees	101	30.164.814	29.367.843
9. Liabilities for taxes, contributions and similar fees	102	2.919.909	1.733.580
10. Liabilities to share - holders	103	681.378	681.138
11. Liabilities for long-term assets held for sale	104	0	0
12. Other short - term liabilities	105	12.032.841	8.882.625
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	60.999.448	70.255.369
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	2.517.097.761	2.455.032.413
G) OFF-BALANCE RECORDS	108	570.344.390	588.393.290
APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)			
CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	0	0
2. Attributed to minority interest	110	0	0

PROFIT AND LOSS ACCOUNT
for the period 1.1.2013. to 30.9.2013.

Obligator: Podravka prehrambena industrija d.d., Koprivnica					
Item	AOP code	Last Year		Current year	
		Cumulative	Quarterly	Cumulative	Quarterly
1	2	3	4	5	6
I. OPERATING REVENUE (112+113)	111	1.465.123.866	535.482.972	1.424.913.126	522.359.381
1. Sales revenue	112	1.422.959.644	529.219.637	1.402.390.624	513.891.777
2. Other operating revenues	113	42.164.222	6.263.335	22.522.502	8.467.604
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	1.407.287.815	524.892.449	1.345.676.751	462.410.841
1. Changes in value of work in progress and finished products	115	-8.392.007	-20.804.587	-19.298.694	-29.380.611
2. Material costs (117 to 119)	116	927.131.373	360.122.343	913.829.805	348.758.323
a) Raw material and material costs	117	513.372.548	194.928.215	503.277.033	191.970.397
b) Costs of goods sold	118	263.828.578	114.100.813	249.835.812	99.171.365
c) Other external costs	119	149.930.247	51.093.315	160.716.960	57.616.561
3. Staff costs (121 to 123)	120	299.537.650	100.732.357	266.466.173	89.167.496
a) Net salaries and wages	121	182.979.794	61.999.443	164.646.259	54.908.443
b) Cost for taxes and contributions from salaries	122	74.145.319	25.211.151	65.753.929	22.285.205
c) Contributions on gross salaries	123	42.412.537	13.521.763	36.065.985	11.973.848
4. Depreciation	124	64.118.784	21.383.391	64.301.546	21.487.491
5. Other costs	125	85.782.322	40.638.399	82.474.507	21.005.340
6. Impairment (127+128)	126	9.181.729	8.354.923	19.731.178	9.695.082
a) Impairment of long-term assets (financial assets excluded)	127	0	0	0	0
b) Impairment of short - term assets (financial assets excluded)	128	9.181.729	8.354.923	19.731.178	9.695.082
7. Provisions	129	7.446.566	5.482.789	754.123	-900.341
8. Other operating costs	130	22.481.398	8.982.834	17.418.113	2.578.061
III. FINANCIAL INCOME (132 to 136)	131	34.295.617	14.687.784	24.212.620	-4.071.308
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	12.007.738	3.314.913	9.659.340	2.797.687
2. Interest income, foreign exchange gains, dividends and similar income from non - related parties and	133	22.230.483	11.316.948	10.329.775	-6.683.832
3. Share in income from affiliated entrepreneurs and participating interests	134	0	0	0	0
4. Unrealized gains (income) from financial assets	135	57.396	55.923	4.223.505	-185.163
5. Other financial income	136	0	0	0	0
IV. FINANCIAL EXPENSES (138 do 141)	137	61.040.975	19.188.842	69.290.734	29.293.722
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related parties	138	6.869.236	2.581.981	22.099.545	11.383.686
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non - related parties	139	53.937.910	16.595.983	47.191.189	17.910.036
3. Unrealized losses (expenses) on financial assets	140	233.829	10.878	0	0
4. Other financial expenses	141	0	0	0	0
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142	0	0	0	0
VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143	0	0	0	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	0	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0
IX. TOTAL INCOME (111+131+142 + 144)	146	1.499.419.483	550.170.756	1.449.125.746	518.288.073
X. TOTAL EXPENSES (114+137+143 + 145)	147	1.468.328.790	544.081.291	1.414.967.485	491.704.563
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	31.090.693	6.089.465	34.158.261	26.583.510
1. Profit before taxation (146-147)	149	31.090.693	6.089.465	34.158.261	26.583.510
2. Loss before taxation (147-146)	150	0	0	0	0
XII. PROFIT TAX	151	0	0	0	0
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	31.090.693	6.089.465	34.158.261	26.583.510
1. Profit for the period (149-151)	153	31.090.693	6.089.465	34.158.261	26.583.510
2. Loss for the period (151-148)	154	0	0	0	0
APPENDIX to P&L account (to be filled in by entrepreneur that prepares consolidated financial report)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	155	0	0	0	0
2. Attributed to minority interest	156	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	31.090.693	6.089.465	34.158.261	26.583.510
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159	0	0	0	0
2. Movements in revaluation reserves of long - term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from reevaluation of financial assets available for sale	161	0	0	0	0
4. Gains or losses on efficient cash flow hedging	162	0	0	0	0
5. Gains or losses on efficient hedge of a net investment in foreign countries	163	0	0	0	0
6. Share in other comprehensive income / loss of associated companies	164	0	0	0	0
7. Actuarial gains / losses on defined benefit plans	165	0	0	0	0
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	0	0	0	0
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	31.090.693	6.089.465	34.158.261	26.583.510
APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial report)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	169	0	0	0	0
2. Attributed to minority interest	170	0	0	0	0

STATEMENT OF CASH FLOWS - INDIRECT METHOD

for the period 1.1.2013. to 30.9.2013.

Obligator: Podravka prehrambena industrija d.d., Koprivnica			
Item	AOP code	Last year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	31.090.693	34.158.261
2. Depreciation	002	64.118.784	64.301.546
3. Increase in short term liabilities	003	86.351.558	6.595.621
4. Decrease in short term receivables	004	0	14.309.766
5. Decrease in inventories	005	0	0
6. Other increase in cash flow	006	14.385.533	26.427.696
I. Total increase in cash flow from operating activities (001 to 006)	007	195.946.568	145.792.890
1. Decrease in short term liabilities	008	0	0
2. Increase in short term receivables	009	48.597.699	0
3. Increase in inventories	010	15.116.013	7.168.689
4. Other decrease in cash flow	011	29.579.671	15.276.682
II. Total decrease in cash flow from operating activities (008 to 011)	012	93.293.383	22.445.371
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	102.653.185	123.347.519
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	122.831	253.505
2. Cash inflows from sales of equity and debt instruments	016	61.121	0
3. Interests receipts	017	16.949.655	15.273.610
4. Dividend receipts	018	0	0
5. Other cash inflows from investing activities	019	34.355.917	55.390.302
III. Total cash inflows from investing activities (015 to 019)	020	51.489.524	70.917.417
1. Cash outflow for purchase of long-term tangible and intangible assets	021	61.789.408	27.926.320
2. Cash outflow for acquisition of equity and debt financial instruments	022	0	0
3. Other cash outflow for investing activities	023	5.814.747	14.161.834
IV. Total cash outflow for investing activities (021 do 023)	024	67.604.155	42.088.154
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	28.829.263
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	16.114.631	0
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash inflow from issuing property and debt financial instruments	027	0	0
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	25.064.287	133.018.938
3. Other proceeds from financial activities	029	0	0
V. Total cash inflows from financial activities (027 to 029)	030	25.064.287	133.018.938
1. Cash outflow for repayment of credit principal and bonds	031	162.377.360	211.772.724
2. Cash outflow for dividends paid	032	0	0
3. Cash outflow for financial lease	033	1.642.640	23.884.991
4. Cash outflow for purchase of treasury shares	034	0	0
5. Other cash outflow for financial activities	035	0	0
VI. Total cash outflow for financial activities (031 to 035)	036	164.020.000	235.657.715
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	138.955.713	102.638.777
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	49.538.005
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	52.417.159	0
Cash and cash equivalents at the beginning of the period	041	69.132.910	41.047.713
Increase of cash and cash equivalents	042	0	49.538.005
Decrease of cash and cash equivalents	043	52.417.159	0
Cash and cash equivalents at the end of the period	044	16.715.751	90.585.718

STATEMENT OF CHANGES IN EQUITY
for the period 1.1.2013. to 30.9.2013.

Obligator: Podravka prehrambena industrija d.d., Koprivnica			
Item	AOP code	Last year	Current year
1	2	3	4
1. Subscribed capital	001	1.626.000.900	1.084.000.600
2. Capital reserves	002	25.561.463	43.669.680
3. Reserves from profit	003	-37.910.250	-45.842.809
4. Retained earnings or accumulated loss	004	-511.133.833	0
5. Profit or loss for the current year	005	-20.690.809	34.158.261
6. Revaluation of long - term tangible assets	006	0	0
7. Revaluation of intangible assets	007	0	0
8. Revaluation of financial assets available for sale	008	0	0
9. Other revaluation	009	0	0
10. Total capital and reserves (AOP 001 do 009)	010	1.081.827.471	1.115.985.732
11. Currency gains and losses arising from net investment in foreign operations	011	0	0
12. Current and deferred taxes (part)	012	0	0
13. Cash flow hedging	013	0	0
14. Changes in accounting policy	014	0	0
15. Correction of significant errors in prior period	015	0	0
16. Other changes of capital	016	31.090.693	34.158.261
17. Total increase or decrease in capital (AOP 011 do 016)	017	31.090.693	34.158.261
17 a. Attributed to equity holders of parent company	018	0	0
17 b. Attributed to minority interest	019	0	0

Notes:

The accounting policy for impairment of accounts receivables in process of pre-bankruptcy settlement was amended in 2013.



COMPANY MANAGEMENT

Koprivnica, 30th October 2013

MANAGEMENT REPORT ON THE ACHIEVED BUSINESS RESULTS OF PODRAVKA D.D. FOR THE PERIOD JANUARY – SEPTEMBER 2013

Sales income realised in period 1. – 9. 2013. in the amount of HRK 1,402.4 million are 1% lower compared with the same period of last year.

The total operating costs and expenses is achieved in the amount of HRK 1,345.7 million and are lower 5% compared on the same period of last year.

The majority of operating costs and expenses refer to material costs (68%) and employee costs also hold a significant share in the structure of operating costs and expenses (19,8%).

Financial income in the period 1.-9.2013. is HRK 24.2 million and are 41% lower than those realized in the same period of the year before.

Financial expenses in the period 1.-9.2013. are HRK 69.3 million and are 14% higher than those realized in the same period of the year before. Within financial expenses, interest expenses record decrease of 23%.

Decrease of financial income and increase of financial expenses in the period 1.-9.2013. was under influence of exchange rate differences on credits.

The realised net profit in the period 1.-9.2013. is HRK 34.2 million and is higher compared with the same period of last year for 10%.

The total value of assets of the Podravka d.d. as of 30th September 2013 is HRK 2,455.0 million and compared to the year end of 2012 is HRK 62.1 million less. The highest contribution in change of assets is coming from lower long-term tangible assets, lower loans and accounts receivables from related parties and higher cash.

The indebtedness of the Podravka d.d as of 30th September 2013 is HRK 887.7 million and compared to the year end of 2012 has been decrease by HRK 100.6 million. The net debt as of 30th September 2013 is HRK 797.1 million which is a decrease of HRK 150.2 million compared to the year 2012.

According to Management Board resolution simple reduction of company share capital was made in amount of HRK 542.0 million. Nominal amount of regular share is decreased for HRK 100,00 per share. Decrease of share capital is used to cover Podravka d.d. retained loss from previous years in amount of HRK 523.9 million and the remaining amount of HRK 18.1 million is allocated in capital reserves of Podravka d.d.

President of the Management Board:

Zvonimir Mršić



COMPANY MANAGEMENT

Koprivnica, 30th October 2013

**STATEMENT FROM EXECUTIVES RESPONSIBLE FOR PREPARING
FINANCIAL STATEMENTS**

Financial statements of Podravka d.d. for the period January – September 2013 have been prepared in compliance with the Accounting Act of the Republic of Croatia and International Financial Reporting Standards (IFRS) and provide an overall and true presentation of assets, liabilities, profit and loss, financial position and business operations.

Finance Director:

Draga Celiščak

Board Member:

Miroslav Klepač