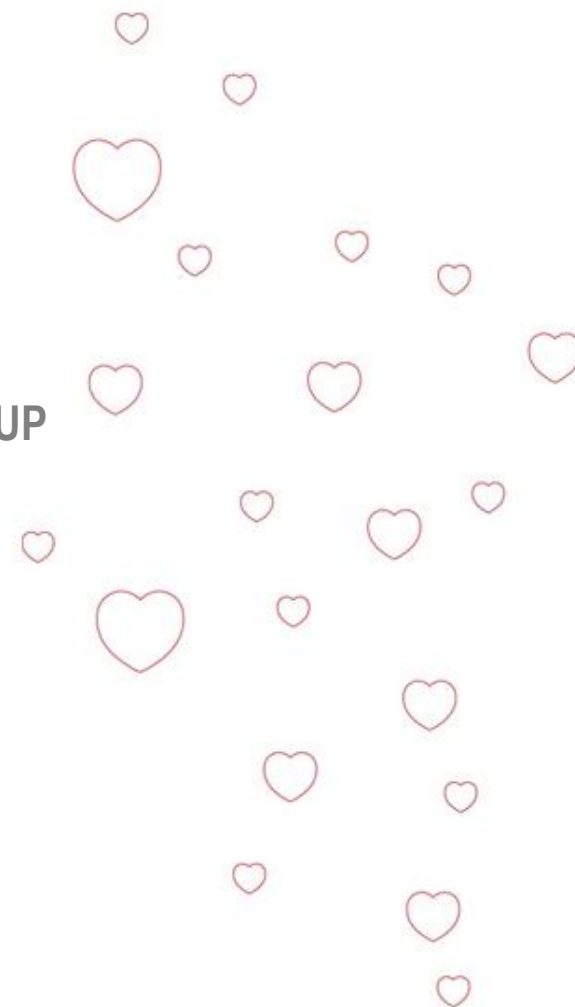


Podravka GROUP

UNAUDITED BUSINESS RESULTS OF THE PODRAVKA GROUP
FOR THE PERIOD JANUARY – DECEMBER 2013



Content

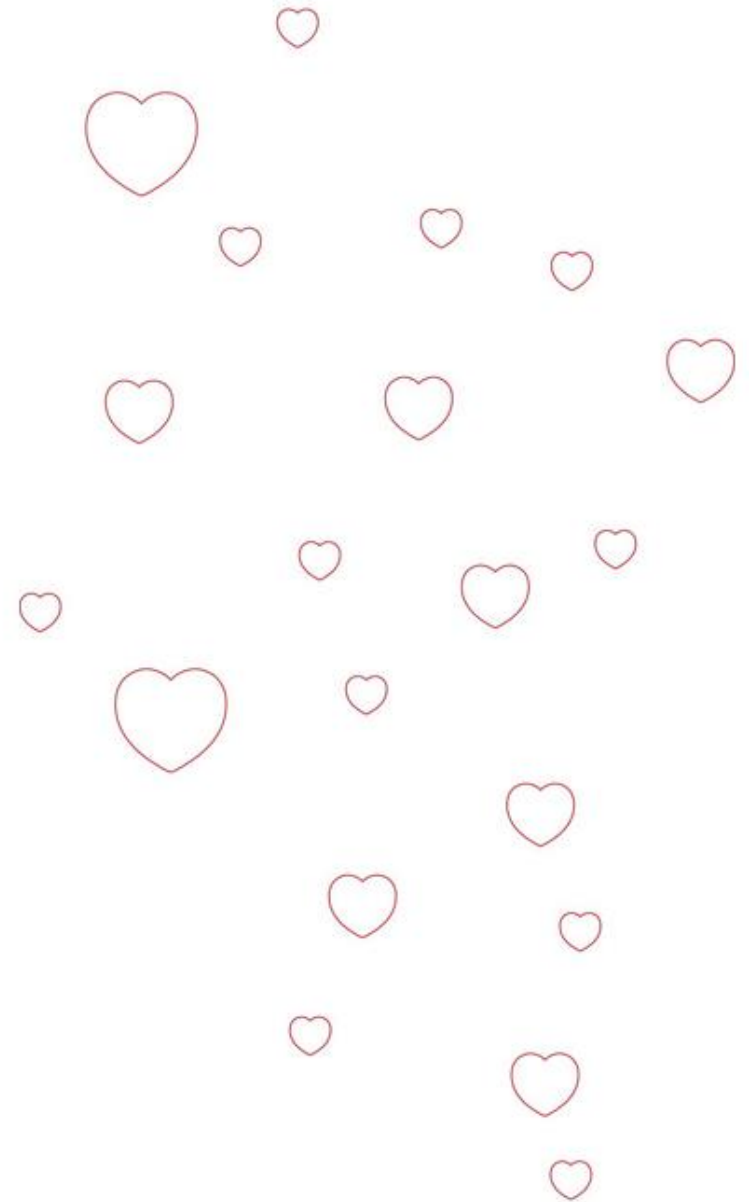
Overview of key events

Business results

Sales

Indebtedness and costs

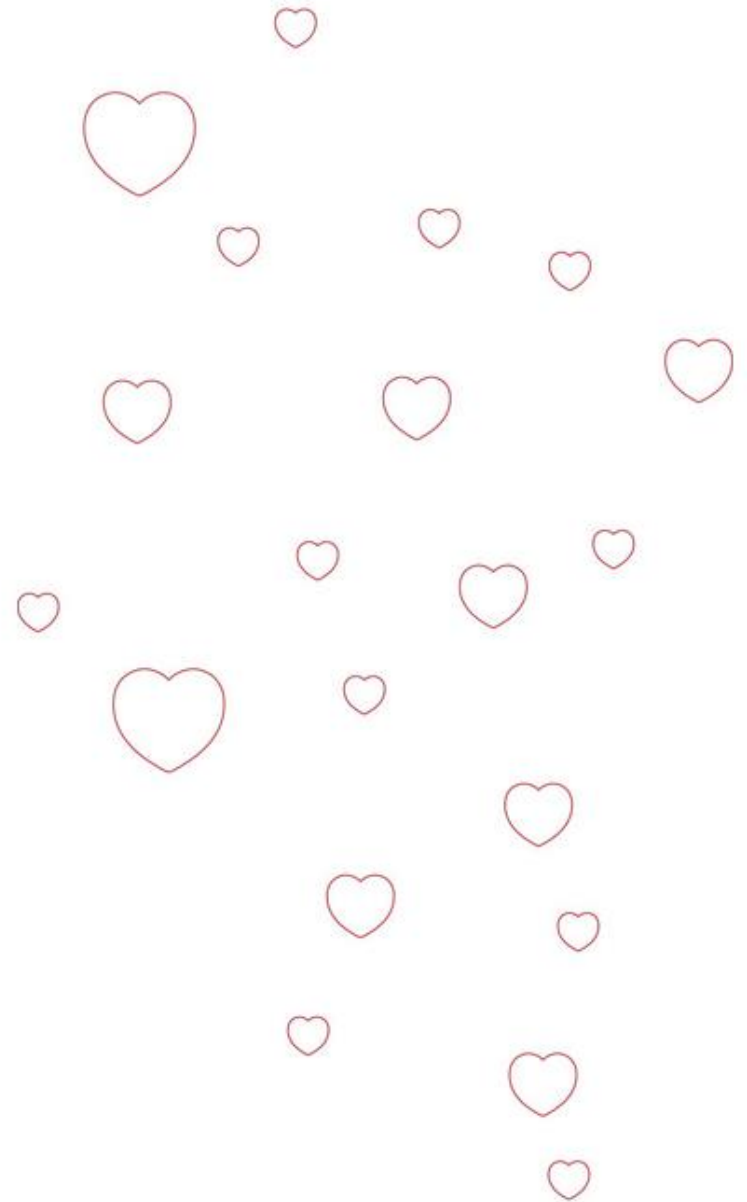
Share



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 of key events



Overview of key events in the year 2013

Podravka Group

- **Profitability** All levels of profitability of the Podravka Group recorded a significant increase in the year 2013 and all profit margins achieved a considerable positive shift, accordingly. The Podravka Group business results of 2013 were significantly affected by non-recurrent items which amounted to a total of HRK 133.4 million and mainly relate to assets value adjustments in restructuring process and severance payments for redundant labour.
- **Gross profit** of the Podravka Group amounted to HRK 1,502.7 million, which is 6% higher than for the same period last year, while the gross margin is at a level of 41.4%, and represents an increase of 240bp.
- **Total operating costs/expenses** decreased by 2%, and the main reasons are lower labour costs due to the completion of the redundancy program and favourable trends in raw material prices.
- **The EBITDA** is HRK 360.1 million and increased by 22%, while the EBITDA margin is at the level of 9.9%. If results are shown without one offs, EBITDA would amount HRK 423.7 million, which is an increase of 18% compared to EBITDA for 2012 shown in a comparable manner.
- **Total operating profit** amounted to 131.0 million, representing an increase of 21% compared with operating profit of the same period last year, presented in a comparable manner. EBIT margin grew by 60bp and is 3.6%. Adjusted operating amounts to EUR 275.3 million, up 35%.
- **The Podravka Group net profit** excluding non-recurrent items was HRK 200.0 million, which is an increase of 78% compared to the net profit of the previous year, presented in a comparable manner. Reported net profit amounted to HRK 66.6 million, which is HRK 80.7 million higher compared to previous year.

Significant events in the year 2013

Podravka Group

- **The total sales** of the Podravka Group in 2013 amounted to HRK 3,626.0 million, and remains at last year's level. Sales in the Strategic Business Area (SBA) Food and beverages totalled HRK 2,773.2 million which is a 0.9% decrease compared to the same period last year. With the exception of sales drop in programmes which are restructuring (fresh meat, beverages, frozen and bakery products), total sales in SBA F&B is 1.1% higher compared to previous year. Sales in SBA Pharmaceuticals amounted to HRK 852.8 million, which is an increase of 3%.
- **Sales on foreign markets** recorded a growth of 6%, whereby both SBA in all foreign markets have higher sales.

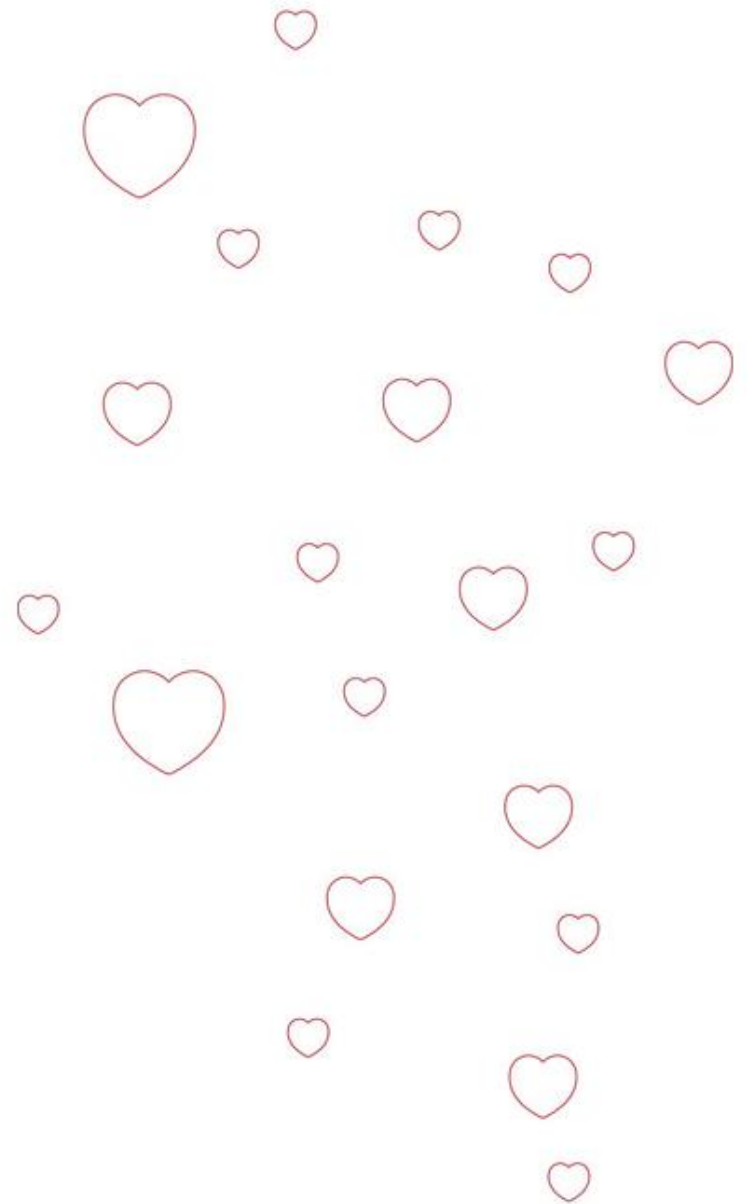
Significant events in the year 2013

Podravka Group

At the General Meeting held on 20 June 2013 the following decisions relating to the amendments to the Articles of Association were made:

- Equality of all shareholders has been defined because the state has no longer the option of direct appointment of two members of the Supervisory Board.
- Possible recapitalization of the company in a manner that the Management Board, with the consent of the Supervisory Board, can decide on the capital increase of up to half of the share capital,
- Reduction of share capital in the amount of HRK 542 million with the aim of covering accumulated losses from previous periods. The reduction of the share capital shall be carried out by reducing the nominal value of ordinary shares from the nominal value of HRK 300.00 to the nominal value of HRK 200.00 per share. This shall create preconditions for shareholders to decide on the distribution of profits (dividend payment, retention of profits, capital increase, etc.) in future periods,
- Podravka continues the business restructuring process, and accordingly shall divest the Beverage, Bakery and a part of the Frozen products business programs. The redundancy program for surplus labour has been implemented and shall continue in the year 2014.
- The General Assembly of Belupo d.d passed the resolution to increase its share capital from the realised profit, thus the share capital has increased by the HRK 50,000,000.00 and is now HRK 204,025,800.00.
- At the Management Board and Supervisory Board session of Podravka d.d., decisions on construction of two factories in Belupo d.d. were made. These are factory of semi-solid and liquid drugs and solid drugs. With that decision, new investment cycle of Belupo started, investment value is HRK 390 million in three years and it is expected that factory will start to work in first quarter 2017.
- A decision was made on the merger of the companies Ital-Ice Ltd., Lero Ltd., Poni Ltd., Podravka Inženjering Ltd. and KOTI Nekretnine Ltd. to the company Podravka Inc. thus continuing the implementation of restructuring measures to increase business efficiency. Podravka Ltd. as the holder of 100% of shares in the stated companies, becomes the legal successor of the merged companies.

Business results



Profitability of the Podravka Group

HRK millions

PODRAVKA GROUP	REPORTED RESULTS		CORRECTED RESULTS		change (2/3)	change (3/4)
	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013*	Jan-Dec 2012*	Jan-Dec 2013 / Jan-Dec 2012	Jan-Dec.2013 / Jan-Dec 2012
Sales revenue	3.626,0	3.626,7	3.626,0	3.625,7	0%	0%
Gross profit	1.502,7	1.415,7	1.502,7	1.415,7	6%	6%
EBITDA*	360,1	294,6	423,7	358,2	22%	18%
EBIT	131,0	108,7	275,3	204,6	21%	35%
Net profit / (loss)	66,6	-14,1	200,0	112,6	n/a	78%
<i>Profit margins %</i>						
Gross margin	41,4	39,0	41,4	39,0	240bp	240bp
EBITDA margin	9,9	8,1	11,7	9,9	180bp	180bp
EBIT margin	3,6	3,0	7,6	5,6	60bp	200bp
Net margin	1,8	-0,4	5,5	3,1	n/a	240bp

*EBITDA is calculated in the manner that EBIT is increased by amortization and adjustment of tangible and intangible assets

Non-recurrent items of the Podravka GROUP

NON-RECURRENT ITEMS OF THE PODRAVKA GROUP (HRK mil.)

	2013	2012
Assets value adjustments	80,8	32,3
Severance payments	57,2	49,9
Reservations on the grounds of tax bills	-	4,6
Provision for litigation	1,9	9,1
Restructuring expenses	8,8	-
Income from leasing	-4,4	-
TOTAL OF NON-RECURRENT ITEMS (EBIT)	144,3	95,9
INCOME TAX	-10,9	30,8
Total of non-recurrent items	133,4	126,7

Profitability of the SBA Food & Beverages

HRK millions

SBA Food & Beverages	REPORTED RESULTS		CORRECTED RESULTS		change (2/3)	change (3/4)
	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013*	Jan-Dec 2012*	Jan-Dec 2013 / Jan-Dec 2012	Jan-Dec.2013 / Jan-Dec 2012
Sales revenue	2.773,2	2.799,3	2.773,2	2.799,3	-1%	-1%
Gross profit	1.018,6	956,8	1.018,6	956,8	6%	6%
EBITDA*	186,2	121,8	242,7	179,1	53%	36%
EBIT	13,7	-8,3	137,3	71,7	n/a	91%
Net profit / (loss)	-23,4	-98,2	89,3	12,4	n/a	620%
Profit margins %						
Gross margin	36,7	34,2	36,7	34,2	250bp	250bp
EBITDA margin	6,7	4,3	8,7	6,4	240bp	230bp
EBIT margin	0,5	-0,3	5,0	2,6	n/a	240bp
Net margin	-0,8	-3,5	3,2	0,4	n/a	280bp

**EBITDA is calculated in the manner that EBIT is increased by amortization and adjustment of tangible and intangible assets

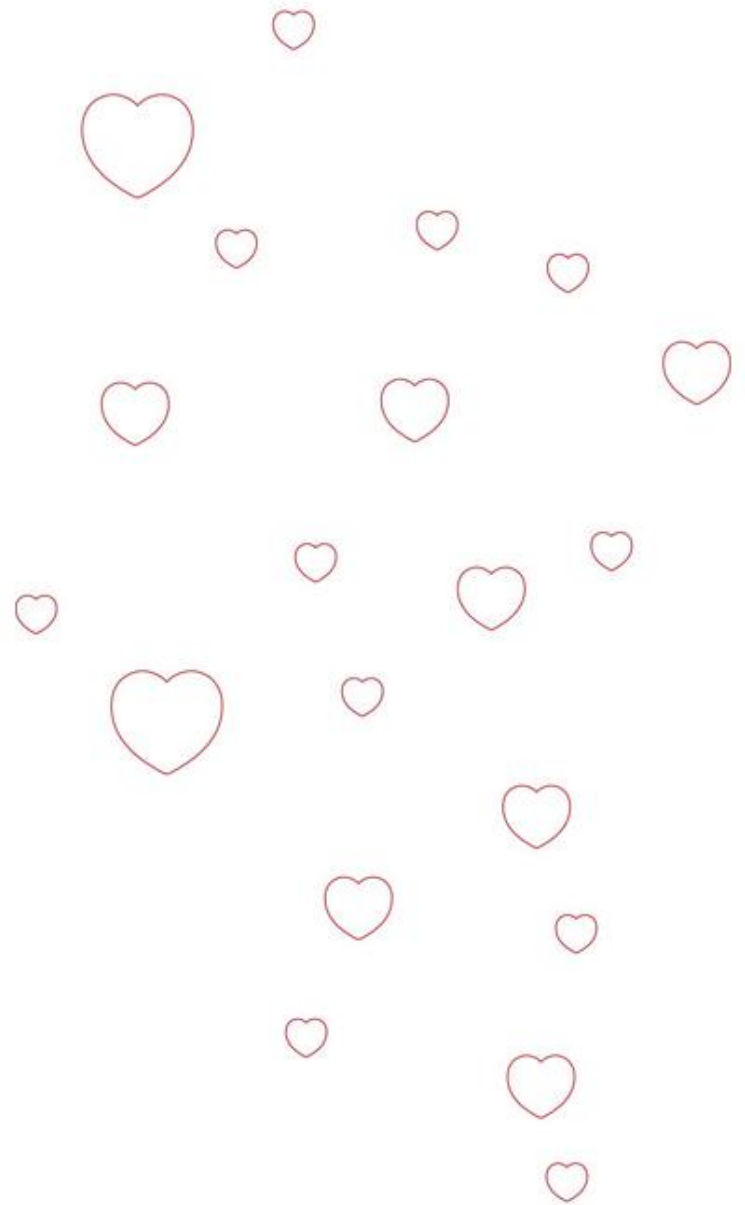
Profitability of the SBA Pharmaceuticals

HRK millions

SBA Pharmaceuticals	REPORTED RESULTS		CORRECTED RESULTS		change (2/3)	change (3/4)
	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013*	Jan-Dec 2012*	Jan-Dec 2013 / Jan-Dec 2012	Jan-Dec.2013 / Jan-Dec 2012
Sales revenue	852,8	827,4	852,8	827,4	3%	3%
Gross profit	484,1	458,9	484,1	458,9	5%	5%
EBITDA*	174,0	172,8	181,1	179,0	1%	1%
EBIT	117,3	117,0	138,0	132,9	0%	4%
Net profit / (loss)	90,0	84,1	110,7	100,0	7%	11%
Profit margins %						
Gross margin	56,8	55,5	56,8	55,5	110bp	110bp
EBITDA margin	20,4	20,9	21,2	21,6	-40bp	-30bp
EBIT margin	13,8	14,1	16,2	16,1	-30bp	10bp
Net margin	10,8	10,2	13,0	12,1	40bp	90bp

*EBITDA is calculated in the manner that EBIT is increased by amortization and adjustment of tangible and intangible assets

Sales

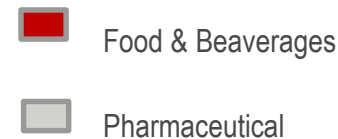
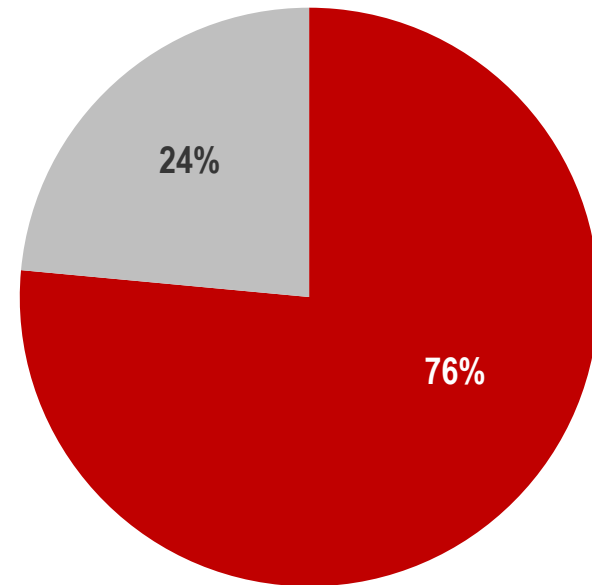


Total sales revenue at last year`s level

Podravka GROUP Januar - December 2013.

Total sales revenue	3.626,0 mil HRK	0%
Food & Beverages	2.773,2 mil HRK	-1%
• <i>Culinary</i>		+3%
• <i>Sweets, snack and beverages</i>		-3%
• <i>Baby food, breakfast foods and other</i>		+2%
• <i>Meat and meat products</i>		-18%
Pharamaceutical	852,8 mil HRK	+3%

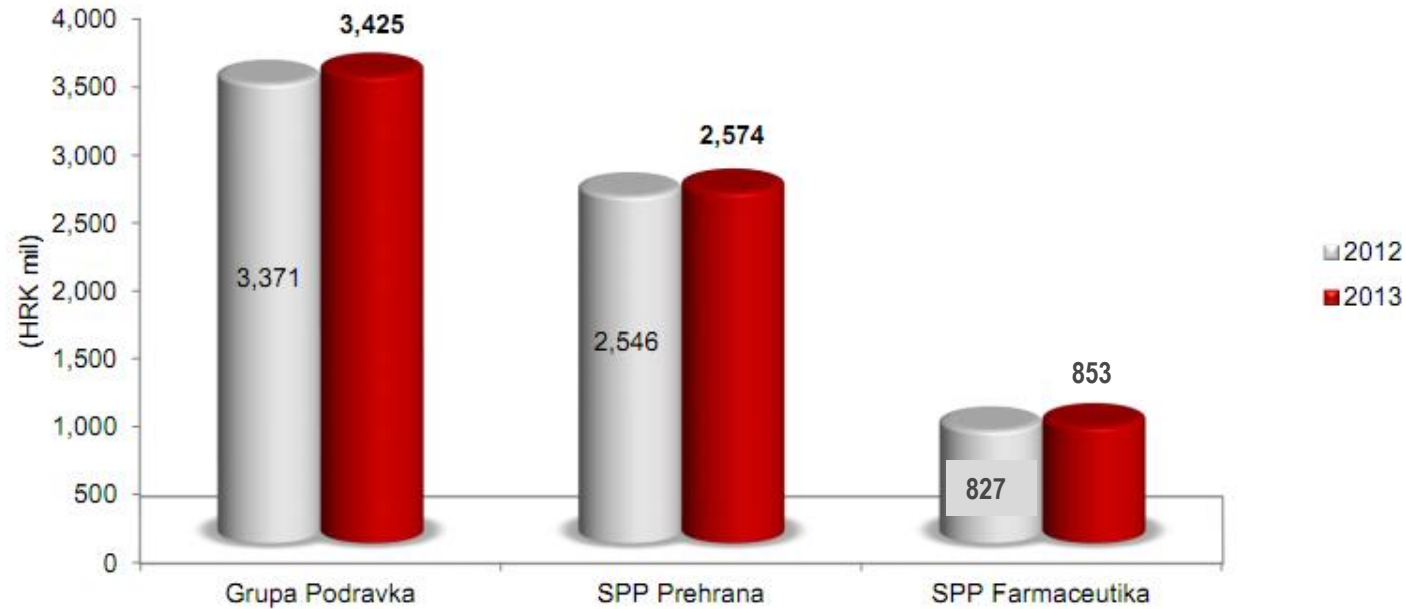
Sales structure Januar – December 2013



Drop of sales::

- Sales of fresh meat - 31 mil HRK
- Sales of baverages -18 mil HRK
- Sales of frozen and baker program - 6 mil HRK
- TOTAL -55 mil HRK

Sales revenue of the Podravka GROUP – LFL*

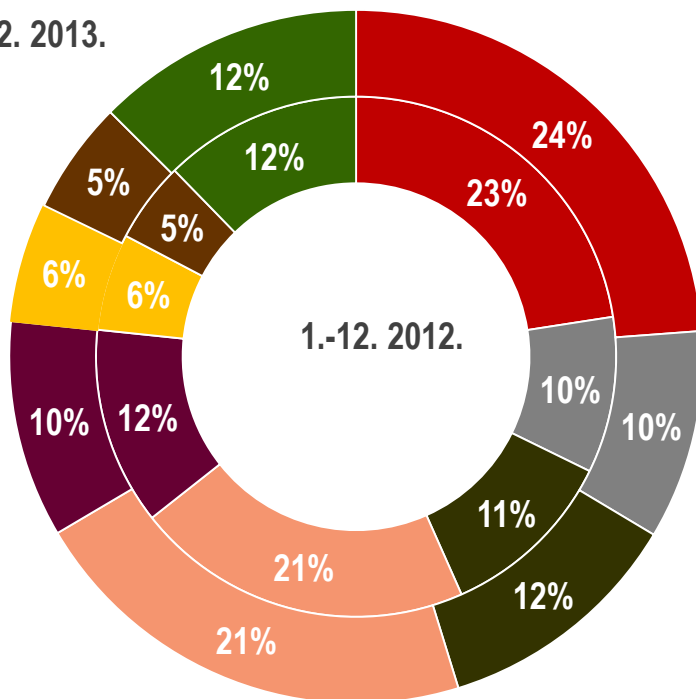


- sales of Podravka Group (like for like) for period Jan – Dec 2013 amounted HRK 3,425 million and is higher for HRK 53.8 million (+1.6%)
- Food HRK +28.3 million (+1.1%)
- Pharma HRK +25.6 million (+3.1%)

*from sales of SBA F&B is excluded sales of Beverages, Bakery, frozen products and fresh meat, in observed periods

Sales structure of the SBA Food & Beverages per category

1.-12. 2013.



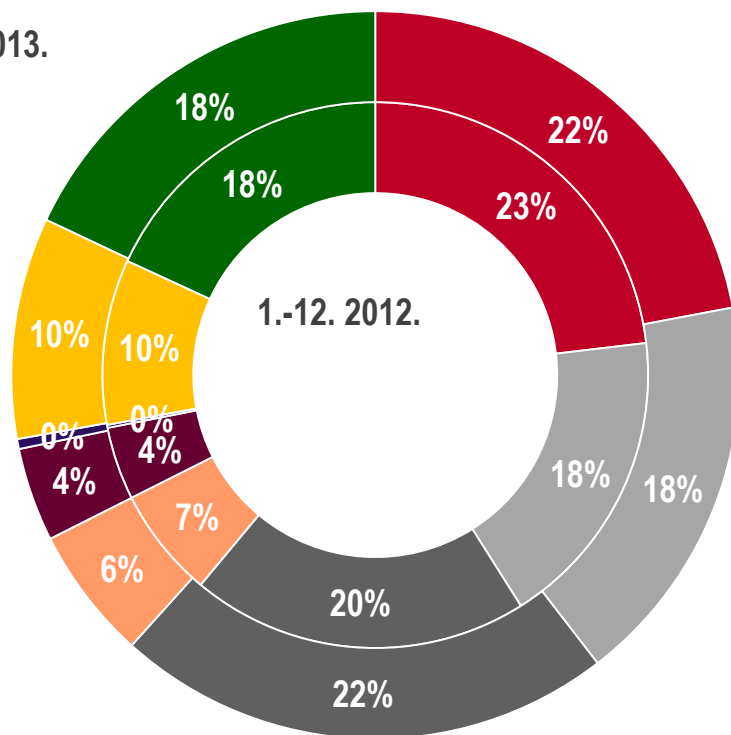
change
1.-12.2013. / 1.-12.2012.

■ Food seasonings and bouillons	+5%
■ Podravka dishes and food mixes	0%
■ Baby food and breakfast food	+4%
■ Vegetables, condiments, fishery products and other	0%
■ Meat and meat products	-18%
■ Beverages	-9%
■ Sweets and snack	+4%
■ Other	+1%

*organic sales per product group (besides category other)

Sales structure of the SBA Pharmaceuticals

1.-12. 2013.

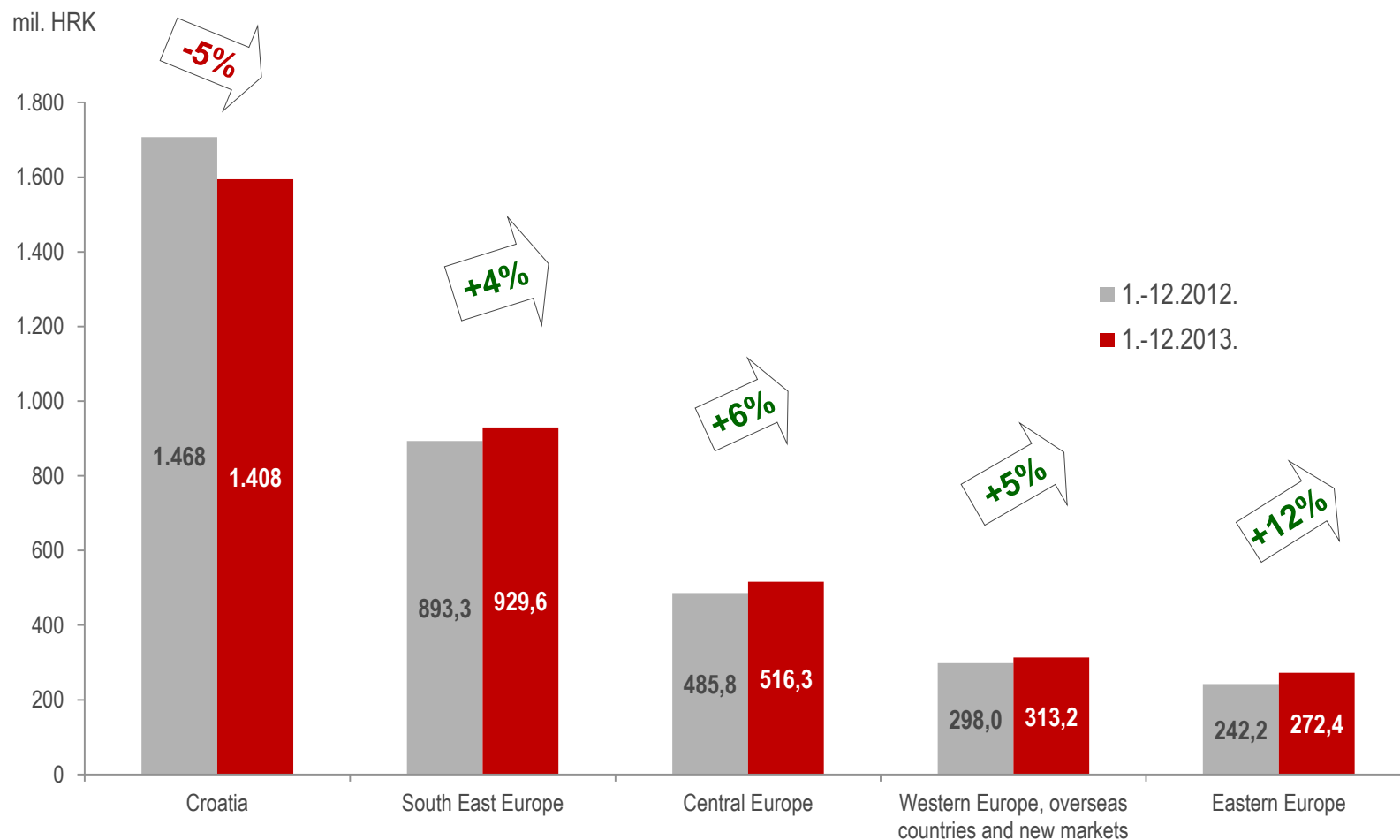


change
1.-12.2013. / 1.-12.2012.

■ Blood & Blood forming organs, Heart & Cardiovascular system	-2%
■ Musculoskeletal & Nervous system	+1%
■ Dermatologicals	+14%
■ General anti-infectives & Antiparasitic Medicines	-7%
■ Respiratory, Digestive & Genitourinary system	-1%
■ Malignant disease and immunomodulators	-
■ OTC	+4%
■ Other	+2%

*organic sales per product group (besides category other)

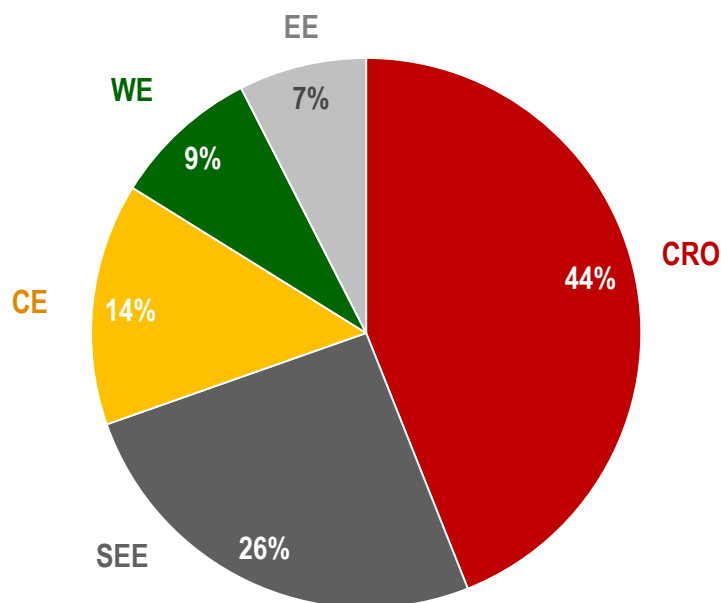
Sales on foreign markets recorded a growth



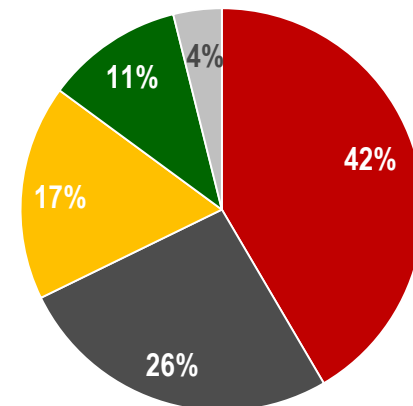
*sales on domestic market is shown according LFL (without sales of Beverages, Bakery, frozen products and fresh meat in all periods)

Sales on foreign markets recorded a growth in both Strategic Business Areas

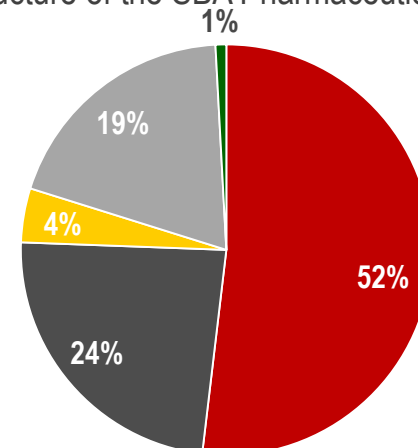
Sales structure of the Podravka GROUP per market



Sales structure of the SBA Food & Beverages per market

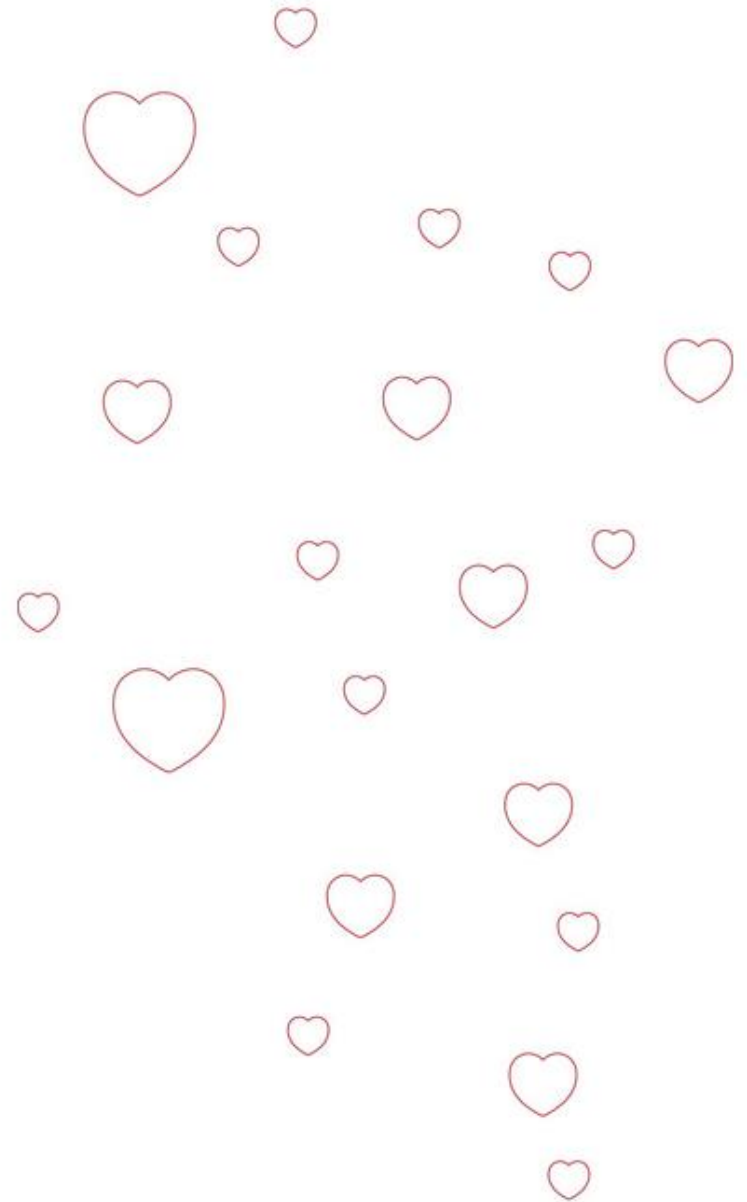


Sales structure of the SBA Pharmaceutical per market



- Croatia
- South-East Europe (Albania, Bosnia and Herzegovina, Montenegro, Kosovo, Macedonia, Slovenia, Serbia)
- Central Europe (Czech Republic, Hungary, Poland, Slovakia)
- Western Europe, overseas countries & new markets (Austria, Australia, Benelux, France, Canada, Germany, Great Britain, Scandinavia, Switzerland, Turkey, USA, other countries)
- Eastern Europe (Bulgaria, Pribaltic, Romania, Russia, Ukraine, other countries)

Indebtedness and costs



Podravka Group balance sheet (summary)

PODRAVKA GROUP in mil. HRK	31.12.2013.	31.12.2012.
Non-current assets	1.518,0	1.721,1
Current assets	1.940,1	1.896,5
<i>Inventories</i>	581,6	631,1
<i>Trade and other receivables</i>	1.032,7	1.082,2
<i>Cash and cash equivalents</i>	179,5	118,2
<i>Other current assets</i>	146,4	65,0
TOTAL ASSET	3.458,2	3.617,7
Shareholders' equity*	1.657,3	1.595,8
Non-controlling interests	34,0	32,0
Non-current liabilities	627,7	780,3
<i>Long-term borrowings</i>	572,9	727,3
<i>Other non-current liabilities</i>	54,9	53,1
Current liabilities	1.139,1	1.209,5
<i>Trade and other liabilities</i>	620,8	720,1
<i>Short-term borrowings</i>	493,1	470,6
<i>Other current liabilities</i>	25,1	18,8
TOTAL EQUITY AND LIABILITIES	3.458,2	3.617,7

* attributable to the equity holders of the parent

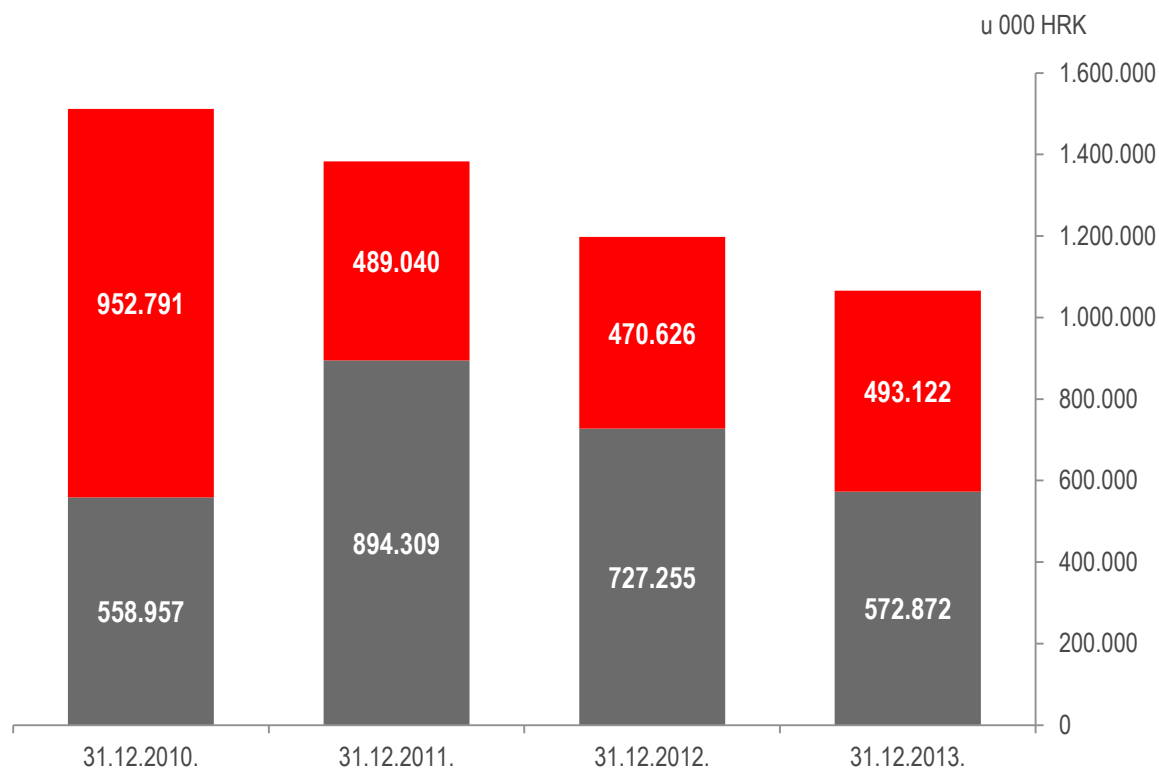
DEBT RATIOS	31.12. 2013.	31.12. 2012.
Debt / equity*	64%	75%
Debt / asset	31%	33%
Net debt	886,5	1.079,7
Net debt / EBITDA**	2,1	3,2

LIQUISITY RATIOS		
Cash ratio	0,2	0,1
Quick ratio	1,2	1,1
Current ratio	1,7	1,6

PROFITABILITY RATIOS		
ROE	4,0%	-0,9%
Korig. ROE	12,1%	7,1%
ROA	1,9%	-0,4%
Korig.ROA	5,8%	3,1%

** corrected EBITDA – for asset impairment and severance payments

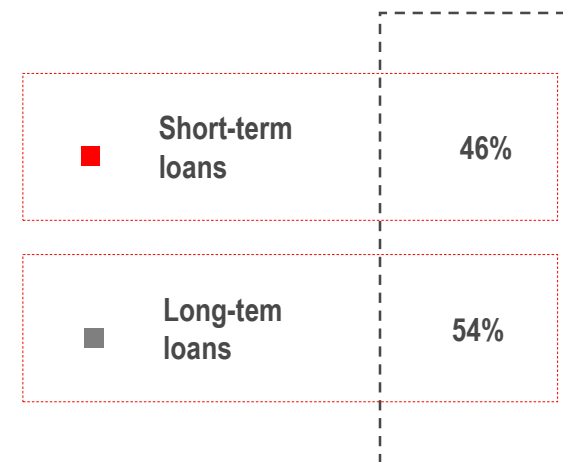
Reducing indebtedness in the year 2013 for HRK 132 million



1.511,7 1.383,3 1.197,9 **→** 1.066,0 million HRK

Reducing indebtedness for HRK 132 million (-11%)

Structure of debt 31.12.2013.



Reducing the total costs

3.413,8 mil. HRK

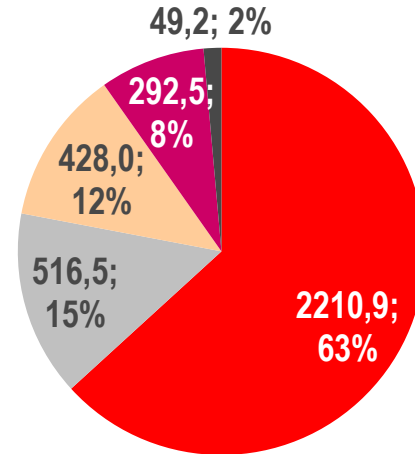
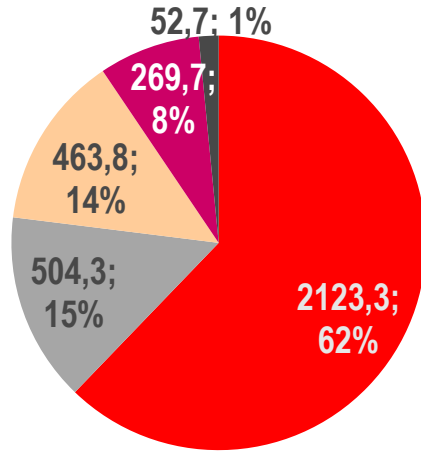
3.497,1 mil. HRK

OPERATING COSTS

Structure of operating costs

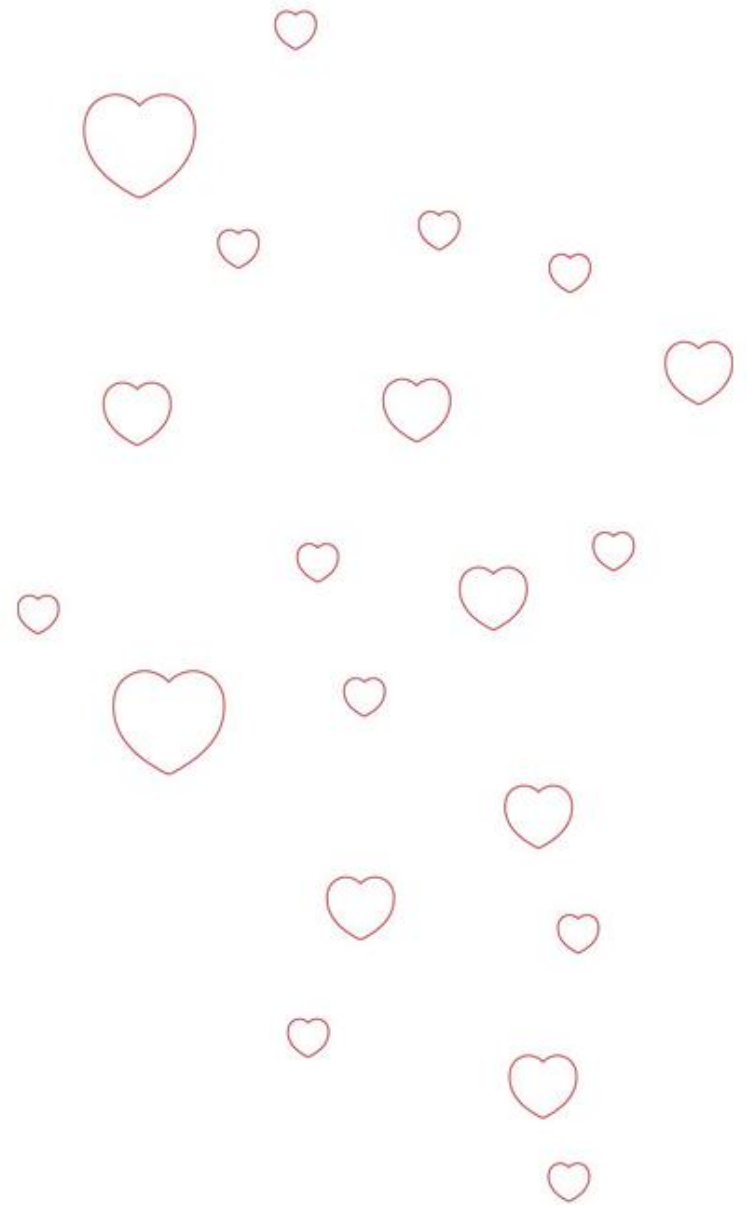
1.-12. 2012.

1.-12. 2013.



	CHANGE 2013. / 2012.	% of sales 31.12.2013.	% of sales 31.12.2012.
■ Costs of goods sold	-4%	58,6%	61,0%
■ Selling & distribution costs	-2%	13,9%	14,2%
■ Marketing expenses	+8%	12,8%	11,8%
■ General & administrative expenses	-8%	7,4%	8,1%
■ Research & developemnt costs	+7%	1,5%	1,4%
Total	-2%	94,1%	96,4%

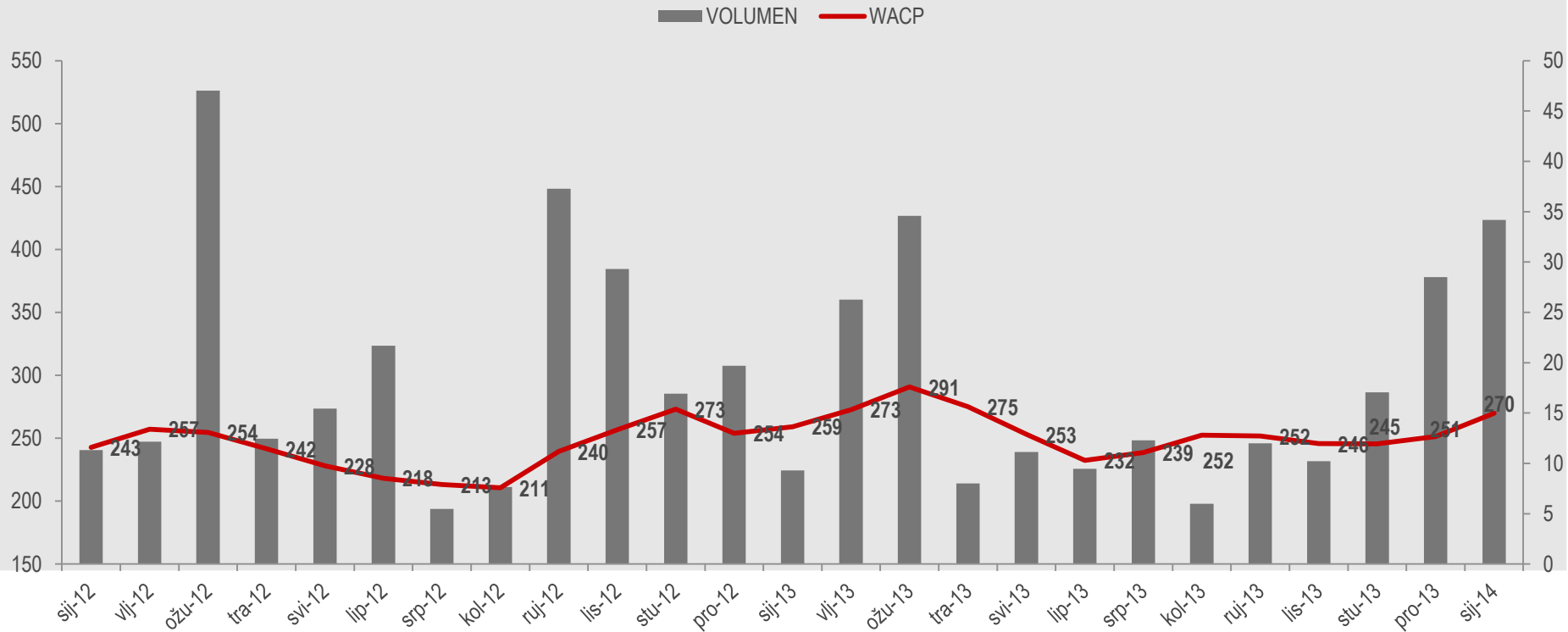
Shares



Volume and share price movement of PODR-R-A

HRK

'000 pieces



TICKERS

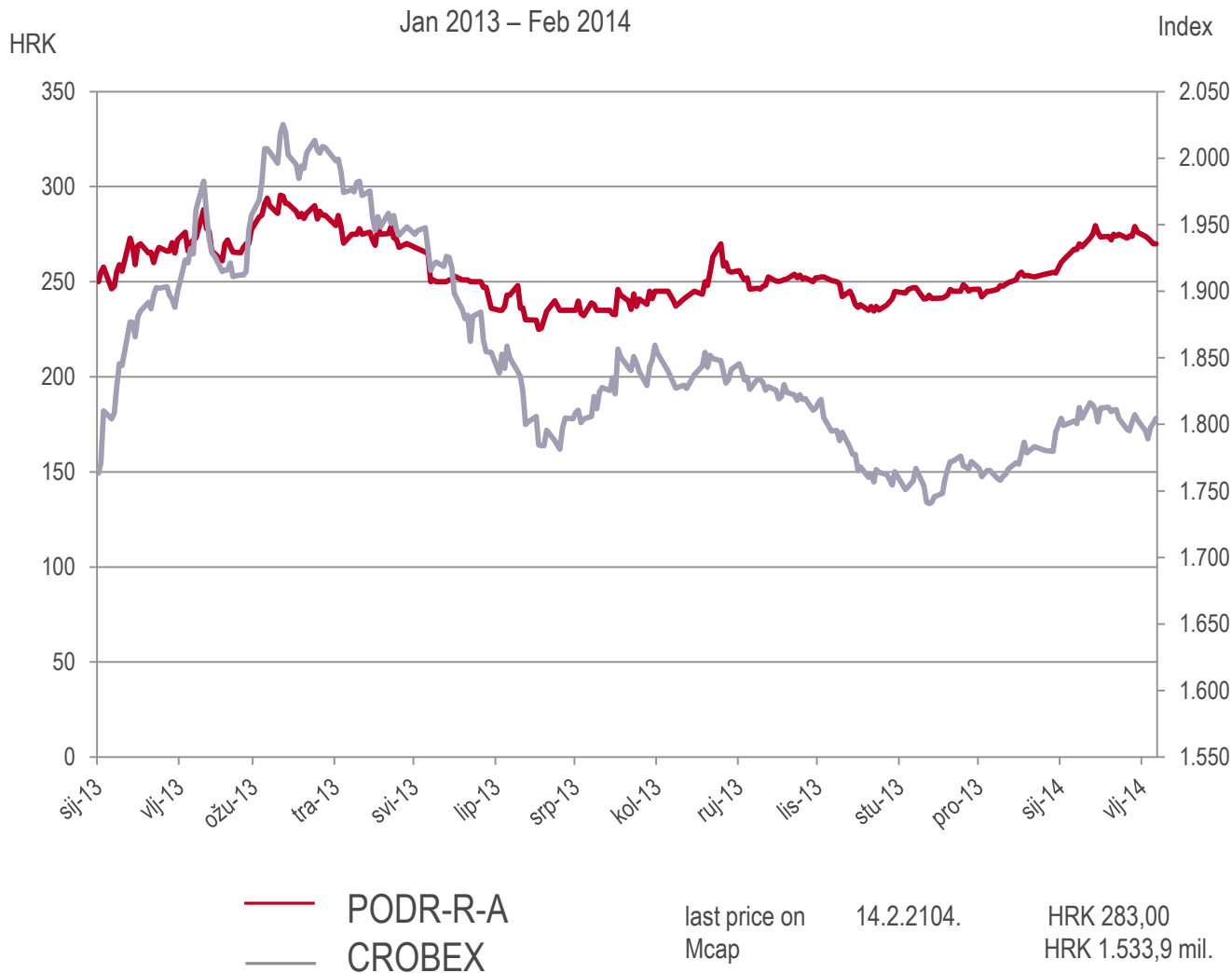
ZAGREB STOCK EXCHANGE
PODR-R-A

BLOOMBERG
PODRRA:CZ

REUTERS
PODR.ZA



CROBEX and price of the PODR-R-A movement



Always with a heart



Investor relations
ir@podravka.hr