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MEDIA RELEASE

PODRAVKA GROUP BUSINESS RESULTS FOR 1 – 9, 2016

**Podravka Group achieves net revenue and net profit**

- Sales revenue realizes a significant 23 percent growth
- All regions realize revenue growth
- Foreign markets realize 66 percent of total revenue
- Net profit increase by 8.6 percent

Positive business trends continuing on all levels is a feature of Podravka Group business results for the first nine months 2016, as determined on sessions held by Podravka Supervisory and Management Boards.

On net level profit Podravka Group achieved 8.6 percent growth comparing to the same period a year earlier, realizing HRK 142.2 million net profit.

Podravka Group sales revenues realized significant 23 percent growth, and amounting to HRK 3.030,8 million. Strategic business area Food revenues amounting to HRK 2,465.2 million which represents 30 percent growth, and the growth is significantly contributed to Podravka Group consolidation. Own brands revenue sales within Strategic business area Food grew by 25 percent.



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Revenues from the other strategic business area Pharmaceuticals amounted to HRK 565.6 million and comparing to the period a year before, despite negative influence of exchange rate differences, realized growth. Without the influence of the negative exchange rate differences, Pharmaceutical segment achieved revenue increase by 3.5 percent comparing to the same period a year before. Own product brands within this strategic business area achieved 5.2 percent growth, mostly due to expansion of business cooperation in the market of Russia.

„Positive business trends on all levels continues, and it is something we are particularly pleased about. Despite increased negative impact of exchange rate differences, with additional activities we have managed to increase the profitability of our company and increase sales in all regions. In the upcoming period we expect further steps in business expansion outside domestic market, where we currently achieve about 34 percent of total sales. Increased share of export markets in total achieved results confirms that strategically growing on foreign markets is completely justified“ – Podravka Management Board president Zvonimir Mršić pointed out on the occasion of announcing these business results.

When it comes to Podravka Group markets, it should be pointed out that all four regions achieved sales revenue growth comparing to the same period a year before. The highest revenue growth was achieved by the region of Russia, CIS and Baltic, for 55.2 percent where equally contribution is attributed to both Food and Pharmaceutical segments.

It should be mentioned that significant negative influence on Podravka Group revenues was by the exchange rate differences, amounting to HRK 51.5 million. The highest negative influence are marked by the Russian ruble (HRK -26.8 million), euro (HRK -9.1 million) and Polish zloty (HRK -6,1 million).