



CORPORATE COMMUNICATION

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MEDIA RELEASE

Fifty years of Podravka on Russian market

2016 was a record breaking year for Podravka products sales on Russian market

Podravka, leading Croatian food processing company celebrates 50 years of doing business in the great market of Russia. History and business results of Podravka on Russian market was presented on a press conference held today in Moscow by Zvonimir Mršić, Podravka Management Board president, Olivija Jakupec, Management Board member, then Podravka vice-president for region Russia and CIS, Damir Perlok, Podravka Russia branch office director Marijana Mihalić-Balog and Jakov Despot, director of Croatian Chamber of Economy in Russia.

In 1967, as part of the exchange program between former SSSR and Yugoslavia, Russian market saw Vegeta, Podravka chicken noodle soup, beef noodle soup, which soon won consumer trust. These products were soon joined by other packet soups, soup cubes, baby food, ajvar, tomato products, frozen vegetables, pates, and so on. Today Podravka products are present around the Russian federation – from Kaliningrad to Far East.

Region of Russia, CIS and Baltic, in 9 months 2016 achieved the greatest growth within Podravka Group. Total sales of Podravka (food and pharmaceuticals) on Russian market in this period is EUR 23.5 million, which is 55.2 percent increase comparing to the previous period. During 2016 Podravka sold more than 30 million pieces of tis products on Russian market.

„Over the last five years there is a continuous growth trend, which is mostly evident in founding own company in 2014, when we started signing direct contracts with retailers and distributors, which enabled us to expand our product range and to penetrate to all parts of the Russian federation. In line with that, since 2014 we have doubles the



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growth on Russia market, in spite of sanctions, ruble devaluation and other unfavourable circumstances“ – Damir Perlok, Podravka vice-president for Russia and CIS region.

Podravka is a leader on Russian market in the area of all-purpose food seasonings and packet soups, and flagship in creating food products. Depending on the category and product type, Podravka is among the 3 leading companies comparing to the competition. In production of all-purpose seasonings Podravka is the second manufacturer in amounts and value, with market share of 15% of value (Source: *Nielesen August 2015/September 2016*).

Podravka Management Board president Zvonimir Mršić spoke of further plans and ambitions, regarding Russia and globally.

„Plans for the future have been set. It is Podravka's aim to grow on international markets in the next 5 years, both organically and through strategic partnerships with local companies on the market. We see Russia as the main market for further growth and development, using both models, and we expect two digit growth rates. Russian market became Podravka's first export market in the far 1967. Much has changed since then, but in the global company strategy – Russian market is the leader in growth in possibilities for development“- Zvonimir Mršić, Podravka Management Board president said.

Today Podravka exports to more than 60 countries, has 15 own companies on various markets, 12 branch offices, own distribution in 9 countries and 17 production facilities in 4 countries. It employs about 6200 people, while Podravka Russia currently employs 27.