



CORPORATE COMMUNICATIONS

Koprivnica, October 28<sup>th</sup> 2011

*PRESS RELEASE*

**Net profit in nine months increased by 22% and is over HRK 100 million**

Podravka Group net profit for the first nine months 2011 is HRK 100.4 mln. which is 22% increase comparing to the same period last year. Total sales was HRK 2,690.3 mln. which is 4% growth comparing to the observed last year's period.

SBA Food and Beverages sales was HRK 2,132.2 mln. i.e. it grew 3%, while SBA Pharmaceuticals sales was HRK 558.1 mln. which is 8% growth comparing to the same period last year. In spite of the crisis that is still present in Croatia, the result of which is poor purchasing power of consumers, Podravka's brands are still firmly holding their market positions. It is worth emphasizing that all Podravka's markets record significant sales growth, and the biggest absolute growth is recorded by the markets of South East Europe (8%), Central Europe (6%), Western Europe (4%) and Eastern Europe (10%). Podravka Group operating profit (EBIT) records 21% increase, while operating margin (EBIT margin) is 7.2%. Total worth of capital investments, in modernization and expansion of existing production capacities, in the first nine months 2011 was HRK 68.5 mln.

On publishing the business results for the first nine months of this year, Podravka Management Board president Miroslav Vitković said:

*"Despite of the crisis unfortunately still surrounding us, we are satisfied with the results achieved, and they are among better ones in the latest Podravka's history. I am exceptionally pleased that Podravka is moving forward, firmly building good market positions with special emphasis on foreign markets, where all of our brands have become well known and are accepted among consumers."*

Detailed information about Podravka Group business results for the first nine months of 2011 can be found on Podravka d.d website under *Investors / Financial reports / Disclosure of business results*.