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MEDIA RELEASE

PODRAVKA GROUP BUSINESS RESULTS FOR 1 – 6 2015

First half of the year brings Podravka Group HRK 92 million net profit and revenue increase

- significant growth of net profit in the first half of the year amounting to HRK 92 million
- own product brands realize sales revenue increase by 1.9%
- foreign markets realize 1.4% sales revenue

Main feature of Podravka Group business results in the first half of 2015, as determined during sessions held by Podravka d.d. Management and Supervisory Boards is continued positive business trends on all levels. In line with this, Podravka Group net profit for the first half 2015 is HRK 92 million, which is a significant growth (284 %) comparing to the same period the year before, when net profit was HRK 24 million.

Podravka Group sales revenue in the first half 2015 recorded growth and it amounts to HRK 1,638.0 million. Strategic business area Food achieved sales revenues amounting to HRK 1,260.1 which is 1 percent growth. Sales revenues from own brands increased by 2.5%, and that way compensated for the lower revenues from commercial goods sales. Finally after a long period, Food segment was not encumbered with severance payment costs, and it achieved



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HRK 67.4 million net profit, which is strong growth of this profitability indicator, comparing to the year before, when it was HRK 5 million.

Sales revenues from the Strategic Business Area Pharmaceuticals amounted to 377,8 million, which is 1.0% growth comparing to the year before, in spite of the negative influence of the price reduction of prescription medications, as requested by the Croatian Health Insurance Institute, and in spite of the depreciation of the Russian ruble. Net profit of the Pharmaceutical segment amounted to HRK 24,5 million in the first half of the year, which is 29.7% comparing to the same period last year.

When it comes to markets of the Podravka Group, it is worth mentioning that foreign markets realized 1.4 percent sales revenue increase comparing to the first half 2014, continuing the growth trend as a result of company strategic focus on business internationalization.

„Next to activities which were performed along the regular business, such as integration of Mirna d.d. Rovinj, acquisition of Žito and completing the share capital increase process, for which we feel they were performed in the shortest period possible, and according to the highest standards, in the first half-year we continue with the positive trends of doing business on all levels. All of this and numerous other activities which we are performing give us the right to believe that our strategic goal of becoming the best international company from Croatia can come true", - Podravka Management Board president Zvonimir Mršić said on the occasion of publishing business results for the first half of the year.

Other important events worth mentioning in the second quarter is the resolution passed by the General Assembly as of 3rd June 2015 on share capital increase, by issuing new regular shares and starting an organized employee stock ownership program. Pursuant to the resolution, on 7th July 2015, the process of subscription of new shares was started, in the 1st round only for employees of Podravka d.d. and its subsidiaries, who as on 3rd June 2015 had



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a status of an employee, and in the 2nd round for the shareholders who as on 3rd June 2015 were recorded as shareholders at the Central Clearing and Depositing Company. The final day of the 2nd round of the shares subscription process was 20th July 2015. Existing shareholders and employees initially subscribed to and paid more than HRK 2,26 million of new shares of the total available 1.7 million, which shows exceptional interest in Podravka shares. Share capital increase was performed by issuing 1,700,000 of new regular shares, of individual nominal value amounting to HRK 220.00 New regular shares were being sold at the price of HRK 300,00 per share, gathering in total HRK 510 million. The funds gathered plan to be used primarily for financing the acquisition of the company Žito d.d., while the remaining amount will be used for investment in expansion of the new markets and building a new pharmaceutical factory for solid, semi-solid and liquid medications.

Talking about Podravka share, in first half 2015 the price of Podravka share grew by 5.6%, exceeding indices Crobex and Crobex10, which in the same period realized 0,5% decrease and 0.3% increase respectively.