



CORPORATE COMMUNICATION

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MEDIA RELEASE

With refinancing Podravka continues business growth and development

Podravka signed today in London with the European Bank for Reconstruction and Development and other three commercial banks (Erste Group Bank AG, Raiffeisen Bank International AG and Unicredit Bank Austria AG) a contract on syndicated loan amounting to EUR 73.4 million. With this contract Podravka will be refinancing its existing loans with significantly lower interest rates and prolonged due dates.

European Bank for Reconstruction and Development, as an arranger of this syndication will participate with about EUR 30.0 million of own funds, while EUR 43.4 will be provided from other banks in the syndication – Erste Group Bank AG, Raiffeisen Bank International AG and Unicredit Bank Austria AG. In the previous years Podravka has achieved significant improvements on operating and financial level, which was recognized by the European Bank for Reconstruction and Development and syndicated banks, who have confirmed their trust in stability and business operations of our company by signing this contract.

“This new loan demonstrates our continuous commitment to Podravka as a long-term partner. Our faith in the company’s prospects has been confirmed by the capital markets. The new funds will allow Podravka to maintain a stable position on the domestic market and grow regionally through the successful completion of its current restructuring plan. Our financing will provide a framework for Podravka to further improve and grow.” – Phil Bennet, first vice-president EBRD said upon signing today’s contract in London.

"Intending to strengthen our competitiveness on international market, this arrangement will definitely be of big help for us. Defined terms of this arrangement prove the faith of international banking institutions in our company's growth and development, as well as realization of very ambitious goals." – Zvonimir Mršić, Podravka Management Board president said.

With this arrangement Podravka continues its restructuring process, with the aim of further regional and international growth and development. The stated amount will be used to restructure the company balance sheet, and saving of HRK 7.5 million is expected on interest costs. This loan term is five years, where 75% of the loan is amortizing with equal quarterly payments of the principal, starting on 16 November 2014. The remaining EUR 17.6 million is due in the final installment. Significantly reduced costs of financing will make investment opportunities more attractive and thus contribute to Podravka's future growth.



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