



Koprivnica, 20<sup>th</sup> December 2013

- THE ZAGREB STOCK EXCHANGE
- CROATIAN FINANCIAL SERVICE  
SUPERVISORY AGENCY
- CROATIAN NEWS AGENCY
- COMPANY WEB SITE

**Re: The Management and Supervisory Board of Podravka Inc. approved investment in new facilities for semi-solid and liquid, and for solid pharmaceutical forms of medicines by Belupo Inc. - Notice**

Pursuant to the Capital Market Law and the Zagreb Stock Exchange Rules, we hereby inform that Podravka's Management and the Supervisory Board passed today the Resolution on approving investment in the new facilities for semi-solid and liquid, and for solid pharmaceutical forms of medicines by Belupo Inc.

The value of this Belupo's investment will be approx. HRK 390 million throughout next three years and new facilities are expected to start with operations in the first quarter of 2017. Those facilities will employ about hundred employees.

Currently, Belupo Inc. has two factories in Koprivnica, the factory for solid pharmaceutical forms and the factory for semi-solid pharmaceutical forms - creams, ointments and gels, that were built in 1999 and 2004, and which together with the quality control laboratories (2005) and warehouse (2013) represent most modern pharmaceutical facilities in this part of Europe. The new facilities will be placed nearby existing factories in Koprivnica.

Due to the sales growth and introduction of new technologies in the production process and presentation of medicines, the production and warehousing capacities need to be aligned with the growing market needs to ensure competitiveness and advancement of Belupo's position.

Through providing the broader offer and new production capabilities, simplified and automated production processes and increase of its efficiency, Belupo will be fully able to comply with the market needs, as well as to stay in alignment with regulatory requests of domestic and world regulatory agencies. At the same time, Belupo will be providing quality as an imperative in all its business and production processes.

Podravka Inc.