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PRESS RELEASE

INTERIM CONSOLIDATED UNAUDITED FINANCIAL RESULTS OF THE PODRAVKA GROUP FOR THE YEAR 2011

Net profit of the Podravka Group increases by 44 % and amounts to HRK 121 million

The realized net profit of the Podravka Group for the year 2011 amounts to HRK 121 million, which represents a 44% increase compared to the year before.

Total sales amount to HRK 3625.2 million, which represents an increase of 3% compared to the year 2010. The operating profit (EBIT) of the Podravka Group for the year 2011 amounts to HRK 251.7 million, which represents an increase of 23%. The sales of the Strategic Business Area (SBA) Food and Beverages total HRK 2828.9 million, having thus achieved a 2% increase, while the sales of the SBA Pharmaceuticals amount to HRK 796.3 million, which represents an increase of 7% compared to the same period of the year before.

A sales increase for the SBA Food and Beverages was recorded on Podravka's foreign markets, while the highest increase was achieved on the SEE markets (7%) with markets in Serbia (16%), Bosnia and Herzegovina (6%), and Slovenia (4%) as leading contributors. The sales increase for the SBA Pharmaceuticals was also achieved mostly owing to foreign markets which recorded an increase of 13%, headed by the markets in Russia (22%), Bosnia and Herzegovina (8%), and Slovenia (28%).

Podravka's brands firmly held their positions in the market which was affected by the economic crisis in course of 2011.

At the same time, the total value of capital investments for production modernization and expansion of existing capacities amounted to HRK 102.2 million in 2011, and was self-funded.

On the occasion of the release of the 2011 business results, Podravka Management Board President Miroslav Vitković said:

„Despite the crisis which has unfortunately continued throughout the year 2011, a significant increase in the prices of raw materials in the world market, and negative effects on the financial level, such as exchange differences and the increase in the cost of capital, we are exceptionally satisfied with the achieved business results. The



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debts of the Podravka Group were additionally reduced by HRK 130 million, which is a continuation of the trend from the year 2010 when debts were reduced by HRK 150 million in comparison to the year 2009 without compromising liquidity and settlement of all other operative liabilities .

In addition to increased sales, especially in foreign markets, Podravka took a step forward in terms of investments in the last year. We have started a strong investment cycle with investments into modernization and capacity expansions to make it even more competitive, innovative and better. “

More detailed information on 2011 Podravka Group business results can be found on the homepage of Podravka d.d. under [Investors / Financial Reports / Disclosure of Business Results](#).