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MEDIA RELEASE

PODRAVKA GROUP BUSINESS RESULTS FOR PERIOD 1 – 9 2013

Podravka Group net profit increased by 17% and is HRK 136.6 million

- **Podravka Group profitability growth on all levels**
- **Single-off items (severance payments) in observed period HRK 41.7 million**
- **Net debt reduced by HRK 173 million**

Podravka Group net profit in the first nine months 2013, without one-off items, is HRK 136.6 million, which is 17% growth comparing to net profit of the same period 2012. Podravka Group gross profit for the stated period is HRK 1,079.8 million and in comparison to the same period last year has increased by 4%, while EBITDA increase is 11% and it amounts to HRK 271.8 million.

"Positive trend on all levels of profitability within Podravka Group from the first half of the year continues in the following period as well. Stated numbers indicate that business decisions, that might be considered unpopular, given the context of time and economic situation, were completely justified. We are aware of the fact that the job we started is definitely not finished, and we will continue to build solid grounds, so that our company might be able to respond to complex and ever more demanding market conditions" – Zvonimir Mršić, Podravka Management Board president said on the occasion of publishing these results.

Analysing the stated period, evident improvement in managing business costs of Podravka Group is also present, where total costs have reduced by 4% comparing to the same period last year. In the costs structure, only marketing costs have significantly increased, due to increased marketing activities, while other costs have significantly reduced.



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It is particularly worth mentioning that net debt, as on 30 September 2013, has reduced by HRK 173 million, comparing to end 2012, which definitely illustrates systematic management of Podravka Group indebtedness level.

Podravka Group total sales in the first 9 months 2013 was HRK 2,618.9 million, which is sales decrease by 3 percent, comparing to the same period 2012.

Strategic Business Area (SBA) Food and Beverages sales was HRK 2,032.8 million and is reduced by 4 percent comparing to the same period last year. The stated sales decrease primarily derives from reduced sales in domestic market, characterized by long recession and reduced personal consumption, and significant contribution to this results is willing discontinuation of products with unsatisfactory profitability. At the same time, the markets of Central, SE and Western Europe, overseas countries and Far East have realized sales increase, mostly contributed by the markets of Poland, Hungary and Austria.

SBA Pharmaceuticals sales in the first 9 months 2013 was HRK 586.1 million, which is sales increase by 1 percent, comparing to the same period 2012. Increased sales of pharmaceuticals is generated by sales growth on foreign markets, that record 4% growth, mostly contributed by the markets of Russia and Bosnia and Herzegovina.