

Pursuant to provisions of Article 9, paragraph 1. and 24. item 1. of the Act on the Takeover of Joint Stock Companies ("Official Gazette" no. 109/07, 36/09, 108/12, 90/13- Resolution USRH, 99/13- Resolution USRH and 148/13, hereinafter: the Act), PODRAVKA food processing industry Inc, headquartered in Koprivnica, A. Starčevića 32, registered with the Commercial Court in Varaždin, MBS: 010006549, OIB: 18928523252 (hereinafter: the Bidder), hereby announces its

TAKEOVER BID

of the MIRNA Business system for catch, processing and trade of fish and fish products, Inc

1. TARGET COMPANY INFO

MIRNA Business system for catch, processing and trade of fish and fish products, Rovinj, Giordano Paliaga 8, registered with the Commercial Court in Rijeka – permanent post in Pazin, MBS: 040031749, OIB: 15761637292 (hereinafter: "Target Company"). Target Company's share capital is HRK 36,804,000.00 divided to 368,040 regular shares registered to a name, nominal value HRK 100,00 each, making the 100,00% of the Target Company's share capital. As nonmaterialized equities, the shares are listed in the Central Clearing Depository Agency with the ticker MRNA-R-A, ISIN: HRMRNARA0001, and have been listed with the official market of the Zagreb Stock Exchange d.d.

2. BIDDER INFO

PODRAVKA food processing industry Inc, headquartered in Koprivnica, A. Starčevića 32, registered with the Commercial Court in Varaždin, MBS: 010006549, OIB: 18928523252, holds 198,209 shares of the Target Company, nominal value HRK 19,820,900.00.

The Bidder is one of the leading companies in SouthEast, Central and Eastern Europe in two major business segments: food and pharmaceuticals. Primary and key part of the Bidder's business is food processing.

The Bidder is an absolutely solvent company, with a positive and stable financial indicators.

The Bidder states that audited consolidated and nonconsolidated financial reports for 2012 and 2013 and nonaudited consolidated financial reports for the first half 2013 and 2014 have been published on Zagreb Stock Exchange official web site (www.zse.hr).

Bellow are the data from the audited consolidated financial reports for 2012 and 2013, and nonaudited consolidated financial reports for the first halves 2013 and 2014.

Consolidated statement of comprehensive income (all amounts are in thousands HRK)	2012	2013	First half 2013*	First half 2014*
Business incomes	3.700.062,20	3.693.549,70	1.728.535,33	1.661.902,56
1. Sales Revenue	3.626.666,30	3.626.011,40	1.695.246,26	1.623.029,72
2. Other business incomes	73.395,90	67.538,30	33.289,07	38.872,84
Business expenses	3.602.375,00	3.558.262,00	1.654.587,89	1.602.993,06
1. Change in values of stocked products and currently produced products	51.503,60	12.135,70	6.997,73	-10.814,34
2. Material costs	2.305.898,70	2.293.685,40	1.063.513,46	1.057.209,93
3. Staff costs	720.698,30	666.284,00	334.915,47	321.231,00

4. Depreciation	153.690,00	148.302,60	75.735,53	64.121,57
5. Other costs	249.529,80	263.616,30	127.154,24	145.135,68
6. Value adjustments	51.107,30	66.752,30	8.971,77	-1.657,33
7. Reservations	15.573,30	2.690,70	1.654,46	0,00
8. Other business expenses	54.374,10	104.795,10	35.645,22	27.766,55
Financial incomes	38.065,40	44.187,00	31.856,07	19.560,36
Financial expenses	105.638,90	109.651,80	53.358,82	44.992,64
Profit or loss in the period	-15.456,00	68.376,90	39.366,12	25.218,51
Addition to the profit and loss account				
Profit or loss in the period				
1. Attributed to holders of the capital of the parent	-14.101,90	66.600,80	38.895,79	23.913,42
2. Attributed to minority interest	-1.354,20	1.776,20	470,33	1.305,10
Statement of remaining comprehensive income				
Profit or loss in the period	-15.456,00	68.376,90	39.366,12	25.218,51
Other comprehensive profit/loss before tax	13.639,20	-6.138,00	-10.327,89	-1.712,75
Comprehensive profit or loss in the period	-1.816,90	62.239,00	29.038,23	23.505,76
Addition to the Statement of remaining comprehensive income				
Comprehensive profit or loss in the period				
1. Attributed to holders of the capital of the parent	-491,9	60.226,00	28.797,80	22389,596
2. Attributed to minority interest	-1.325,00	2.013,00	240,43	1.116,16

Comprehensive statement on financial position (all amounts are in thousands HRK)	2012	2013	30 June 2013*	30 June 2014*
Fixed assets	1.721.144,00	1.517.762,20	1.517.762,20	1.552.552,12
1. Intangible assets	279.641,80	244.319,10	244.319,14	283.268,97
2. Tangible assets	1.400.738,80	1.218.263,60	1.218.263,63	1.208.019,81
3. Fixed financial assets	5.343,40	5.606,40	5.606,41	6.761,65
4. Deferred tax assets	35.420,00	49.573,00	49.573,03	54.501,68
Current assets	1.881.578,70	1.923.619,90	1.923.619,90	1.958.214,23
1. Inventories	695.533,10	727.970,00	727.969,98	767.020,04
2. Receivables	1.062.608,40	1.009.434,90	1.009.434,94	977.181,11
3. Current financial assets	5.229,60	6.753,90	6.753,95	13.388,24
4. Money in the bank and in the treasury	118.207,50	179.461,00	179.461,03	200.624,84
Paid costs of the future period and calculated incomes	14.949,60	16.774,40	16.774,41	13.398,56
Total assets	3.617.672,30	3.458.156,50	3.458.156,50	3.524.164,91
Contingent assets	858.816,70	940.027,30	940.027,35	1.284.270,81
Capital and reserves	1.627.791,40	1.691.388,10	1.691.388,14	1.714.893,90
Reservations	46.777,80	49.280,00	49.279,97	47.908,09

Long-term liabilities	733.553,10	578.448,40	578.448,37	798.255,12
Short-term liabilities	1.106.272,00	1.041.986,10	1.041.986,07	857.571,56
Accruals and deferred income	103.278,00	97.054,00	97.053,96	105.536,25
Total liabilities	3.617.672,30	3.458.156,50	3.458.156,51	3.524.164,91
Contingent assets	858.816,70	940.027,30	940.027,35	1.284.270,81
Addition to the financial statement				
Capital and reserves				
1. Attributed to holders of the capital of the parent	1.595.764,50	1.657.348,30	1.657.348,29	1.679.737,88
2. Attributed to minority interest	32.026,90	34.039,80	34.039,85	35.156,01

Consolidated statement of cash flows (all amounts are in thousands HRK)	2012.	2013.	First half 2013*	First half 2014*
Cash flow from business operations				
Net increase of the cash flow from business operations	248.333,00	291.812,40	165.142,77	49.143,22
Cash flow from investment operations				
Net decrease of the cash flow from investments	-84.302,00	-95.555,10	-57.221,23	-91.735,38
Cash flow from financial activities				
Net decrease of the cash flow from financial activities	-191.783,30	-135.004,20	-48.384,96	63.755,97
Cash and cash equivalents at period start	145.959,80	118.207,50	118.207,53	179.461,03
Cash and cash equivalents increase	-	61.253,50	59.536,59	21.163,81
Cash and cash equivalents decrease	27.752,30	-	-	-
Cash and cash equivalents at period end	118.207,50	179.461,00	177.744,11	200.624,84

Consolidated statement in shareholders equity	As on 1 Jan 2012	As on 31 Dec 2012	As on 1 Jan 2013	As on 31 Dec 2013	As on 30 Jan 2013*	As on 30 Jan 2014*
Share capital	1.582.966	1.584.862	1.584.862	1.062.329	1.584.862	1.062.329
Reserve for own shares	21.762	21.762	21.762	21.762	21.762	21.762
Legal reserve	18.325	18.325	18.325	11.474	18.325	13.974
Reserve for reinvested profit	-	50.000	50.000	136.075	50.000	136.075
Statutory reserve	30.707	35.244	35.244	39.294	39.294	43.956
Other reserves	34.561	48.172	48.172	40.715	38.075	39.191
Retained profit (Transferred loss)	-93.961	-162.600	-162.600	345.701	-127.755	362.452
Total	1.594.360	1.595.765	1.595.765	1.657.350	1.624.563	1.679.738
Minority shares	34.787	32.027	32.027	34.040	32.268	35.156
Total	1.629.147	1.627.792	1.627.792	1.691.390	1.656.831	1.714.894

*Note: info for the first half 2014 and as on 30 June 2013 and 30 June 2014 are nonaudited.

3. PERSONS WITH WHOM THE BIDDER ACTS JOINTLY

The Bidder acts jointly with no other person.

4. INFO ON THE TYPE AND NUMBER OF SHARES AND VOTES OF THE TARGET COMPANY HELD BY THE BIDDER

The Bidder holds 198,209 regular shares with the right to vote, individual nominal value HRK 100.00 ticker MRNA-R-A, which give the right to vote at the General Assembly of the Target Company, which is 53.86% of the share capital of the Target Company.

5. INFO ON TYPE OF SHARES SUBJECT FOR TAKEOVER

Bid subject are all the regular shares of the Target Company with the right to vote, and they are registered with the Central Clearing Depository Agency as nonmaterialized equities, with the ticker MRNA-R-A, ISIN: HRMRNARA0001, and have been listed with the Official market of the Zagreb Stock Exchange, provided that pursuant to Article 23, paragraph 2, item 1 of the Act, the Bidder determines that the Bid subject are not the shares with lien over them (either registered or nonregistered).

6. BIDDER STATEMENT

The Bidder hereby states that this Bid is intended for all shareholders of the Target Company, for acquiring of all the shares that are the Bid subject, under official and published terms.

7. PRICE PER SHARE

The Bidder obliges to pay the price of HRK 38,02 per each share that is Bid subject.

The offered price corresponds to the price the Bidder acquired the shares at the moment when the obligation to publish a takeover Bid arose, and it is higher than the price determined in the Study on evaluation of the Target Company share fair value. The Study is reviewed by the independent auditor.

Within the year preceding the date the obligation for this public Bid arose, the Bidder did not acquire any shares of the Target Company, nor did it contract any other legal affairs with the purpose of acquiring shares of the Target Company.

Within three months preceding the date this obligation arose, Target Company shares have not been traded with on the official capital market. Previous fact derives from the Confirmation on MRNA-R-A share average price, Zagreb as on 3 September 2014, issued by the Zagreb Stock Exchange d.d. at Bidder's request. Based on public information available at the web site of the Zagreb Stock Exchange, last recorded transaction on the Official market of the Zagreb Stock Exchange dates on 30 November 2006 and was conducted at the price of HRK 7.00 per share.

Considering the shares of the Target Company have not been traded with not a single day within the past three months before the Bid publishing obligation arose, average share price realized on the official market is not calculated as an average of all the prices realized in the official market in the last three months before the obligation arose, counting as of the day preceding the day the obligation arose.

Pursuant to Article 16 of the Act, in that case the highest price at which the Bidder gained the shares with the voting right in the period of one year before the obligation of publishing a public Bid arose, including gaining based on which the obligation of publishing a public Bid arose, is compared with price as determined in the Study at the evaluated fair price, reviewed by the independent auditor.

The Study on evaluation of the fair price of the Target Company as on the day of the obligation of publishing the Bid was performed by the INTERKAPITAL shareholding company for consulting, management and investment, Zagreb, Masarykova 1 and has been confirmed by the independent consulting Mladen Baučić, authorised auditor for the company Baum revizija d.o.o., Mandaličina 12, OIB: 21344676297 and states that:

- methods applied to determine the fair value of the price of the Target Company, where methods determined are based on international standards for estimation of values and they are usually used between participants in determining share values;
- detailed explanation of implemented estimation methods and all important assumptions that have been used in their application;
- why are those methods appropriate;
- if more methods were applied, what fair value would have been achieved by applying individual methods and what is the significance of individual methods for determining the suggested fair value of the shares of the Target Company;
- special difficulties that have appeared upon evaluation of the fair value of the shares of the Target Company.

If the shareholder to which this takeover Bid relates to holds unpaid shares on the equities account held by the Central Clearing Depository Agency, the shareholder is obliged upon depositing also to submit original certificate by the Government Assets Management Agency (hereinafter: GAMA), on the number of paid and unpaid shares, and a calculation for premature payment of remaining installments in one-time amount, in which case will the Bidder first perform payment of total obligations towards GAMA, and the difference between the total Bid price will be paid to the shareholder who submitted the shares in question for takeover.

The subject of the Bid can also be unpaid shares for which the amount of repayment of the remaining installments, as per GAMA calculation, can be higher than the price the Bidder determined with this Bid.

8. THE SOURCE AND COMPENSATION INSURANCE FOR PAYMENT OF STOCKS THAT ARE THE SUBJECT OF THIS TAKEOVER BID

The amount of compensation for shares which are the subject of this takeover Bid and all the necessary amounts and expenditures deriving from this Bid will be incurred by the Bidder's own funds.

As an insurance of the compensation for shares payment which are the subject of this takeover Bid, as well as all other shareholder costs deriving from this takeover Bid, the Bidder also acquired a banking guaranty for first call amounting to HRK 6,500,000.00, issued on 5 September 2014 by the Erste&Steiermarkische Bank d.d., headquartered in 51000 Rijeka, Jadranski trg 3a, OIB: 23057039320, in favour of the shareholders that will submit their shares in the takeover Bid.

As an insurance of paying costs of the corporate action to the depository agent, the Bidder has paid a deposit to the Central Clearing and Depository Company amounting to HRK 13,915.55.

9. PAYMENT DUE DATE

Through the depository agent the Bidder will perform payment of the sales price for the submitted shares, pursuant to the terms from this Bid, within 14 days as of the day the takeover Bid validity.

10. TAKEOVER BID VALIDITY PERIOD

Validity period of this takeover Bid is 28 days, starting as of the day the Bid is published in the Official Gazette and by the Zagreb Stock Exchange, and considering the start date to be the day of later publishing. For informational purposes, the Bidder will publish this Bid in daily newspapers Jutarnji list and Večernji list, where – comparing to publishing dates of this takeover Bid in the stated newspapers, deadlines of duration and validity period will not be counted, but only the publishing by the Official Gazette and by the Zagreb Stock Exchange, counting the validity period as of the publishing date.

11. DEPOSITING AGENT INFO

Depositing agent in this takeover is the Central Clearing and Depository Company, the shareholding company headquartered in Zagreb, Heinzelova 62/a, Registered with the Commercial Court in Zagreb, MBS: 080138626, OIB: 64406809162.

12. INSTRUCTIONS ON MANNER AND EFFECTS OF STOCKS DEPOSITION AND OTHER RIGHTS AND OBLIGATIONS OF SHAREHOLDERS WHO ARE HOLDING THE STOCKS, PARTICULARLY ON THE RIGHT TO WITHDRAW THE SHARES FROM THE DEPOSIT AND TO GIVE UP FROM ACCEPTING THE TAKEOVER BID

Shareholders of the Target Company wishing to accept this offer are obliged to submit to the depository agent before the end date of the Bid validity period a written order for acceptance/withdrawal of shares storage in a takeover Bid (KA-POP form). KA-POP form which is used for accepting the Bid will be delivered to all the shareholders of the Target Company to the address as saved with the depository agent, and the shareholders can take them personally at the headquarters or at agency web site (www.skdd.hr). Next to the form, the agency will also deliver to each shareholder a notice on published takeover Bid.

Forms in question are being delivered to the depository agency in one of the following manners:

a) personally with the depositor (Central Depository and Clearing Company, shareholding company headquartered in Zagreb, Heinzelova 62/a) in which case the shareholder's signature does not have to be verified by the notary public,

a) registered mail with the depositor (Central Depository and Clearing Company, shareholding company headquartered in Zagreb, Heinzelova 62/a) in which case the shareholder's signature does have to be verified by the notary public.

Within validity period of this Bid the depository agency will receive the submitted documentation to its archive. The depositor holds the right to verify the credibility of the received documentation. Incomplete or incorrect orders for accepting the Bid (KA-POP form) will be treated as if they have not been received at all. The shares are transferred from the shareholder account to a special account, which will be opened by the depository agency for the need of storing stocks and accepting the takeover Bid. It will be considered that the Bid is accepted within deadline if the right documentation pursuant with this Bid has been submitted at the post office or immediately to the depository agent within the Bid validity

period. Every correct order on shares storage issued in line with the provisions of this Bid which will be received at previously stated manner, together with other documents required by this Bid, will have the effect of accepting this takeover Bid, with the Bidders obligation to perform the payment of the sales price for the shares stored through the depository agent, aligned with the provisions of this Bid within 14 days as this validity expires, to shareholder's account which has been set as the payment account with the depositor. After having paid and the shares transferred, the depository agent will send to the shareholders:

- 1) a report on performed payment to the account – for the shareholders who have been paid to an account,
- 2) a report on payment inability – for those shareholders who have not been paid to an account, with the instruction to submit info about the account in which they will receive this payment.

The shareholder cannot dispose of the shares stored for the purposes of accepting this Bid.

Until this takeover Bid expires, the shareholder can withdraw the stored shares from the storage and thus give up from accepting this takeover Bid, i.e. from selling shares to the Bidder. The shareholder withdraws the shares from the storage with a written order to accept/withdraw the shares from the takeover Bid (KA-POP form) who submits the written order to the depositor in a manner and within deadlines determined in this takeover Bid, after which the depositor will return the stored shares to the shareholder's account.

13. BIDDER'S INTENT REGARDING FUTURE BUSINESS OF THE TARGET COMPANY

In its wide range of food products the Bidder particularly develops the sales of canned fish. Bidder's total annual sales of caned fish is over 3 000 tons in various forms, under internationally protected brand EVA. Value sales is over HRK 140 million annually, where outside Croatia over HRK 100 million EVA products are sold. EVA range is comprised of the following products: canned fish, fish salads, fish spreads.

Despite long-year tradition of selling canned fish, the Bidder has no own production facilities, but is outsourcing the demands for EVA products from domestic and foreign providers. Aiming to integrate its supply chain and to further develop the range of canned fish, takeover of production facilities in the territory of the Republic of Croatia is of strategic interest for the Bidder.

Bidder's strategic plans regarding the Target Company relate to the previously described strategic interest and continued implementation of the Bidder's strategy to further expand its business, with particular emphasis on fish cans export to foreign markets. Moreover, this takeover Bid will have a positive effect on future business of the Bidder. This Bid will have no effect on the location where the Bidder performs its business operations.

At the moment of publishing this takeover Bid, the Bidder still does not have its representatives in the Management Board nor the Supervisory Board of the Target Company. Current Management Board and the Supervisory Board do not allow the Bidder to perform detailed analysis of the business status of the Target Company, other than publicly available information, the Bidder has no insight in the current business status of the Target Company. Considering the stated reason, the Bidder is not able to provide a precise description of the plans regarding future business of the Target Company, which will be possible after the Supervisory Board of the Target Company will have its representatives, and after the Bidder will be enabled to perform a detailed analysis of the Target Company's business. All this considered, at this moment the Bidder is unable to precisely determine in

what way will this takeover Bid affect the location where the Target Company does its business.

Despite of the above, significant strategic goals that the Bidder intends to develop with the Target Company include: maintaining and strengthening of the target positions in domestic market and in the region, through strengthening of sales and distribution network, relations with buyers and suppliers, partially leaning on the distribution network of the Bidder in the markets where the Bidder is present with its own distribution, and focus on operating efficiency through further investment in business processes optimization.

Possible further positive effects on business and further development of the Target Company can be derived from sales advancement and product distribution, advancement of production facilities and cost efficiency, which will strengthen the competitive advantage of the Target Company.

This takeover Bid will have no effect on the position and Bidder's workers rights, nor the rights and the position of the workers in the Target Company.

The Bidder has not assigned, offered nor promised any financial gain to the Management and Supervisory Board of the Target Company, regarding this Bid. Salaries of Management Board members and rewards to Supervisory Board members will be aligned with the corporate rules of the Bidder, but the Bidder has already suggested changes to Supervisory Board members.

As majority owner, the Bidder has on 2 September 2014 submitted to the Management and Supervisory Boards of the Target Company a request to call a General Assembly of the Target Company for the year 2012, which still has not been held, with the agenda and draft resolutions to recall the three existing members of the Supervisory Board and to appoint three new ones.

If the Management Board will act upon the Bidder's request and call the General Assembly for 2012 and if the General Assembly accepts the draft resolutions on recall and election of Supervisory Board members, presuppositions will be created for appointing new Management Board of the Target Company, which could then regulate the relations with the creditors, all with the purpose of canceling the reason for starting a bankruptcy procedure of the Target Company.

In case the suggested changes in the Supervisory Board of the Target Company be realized, the Bidder will do everything it can within legal boundaries possible to prevent the need to start a bankruptcy procedure of the Target Company.

14. JURISDICTION AND APPLICABLE LAW

Croatian law will be applied to contractual relations between the Bidder and the persons accepting the Takeover Bid, and possible disputes will be resolved by the competent court headquartered in Zagreb.

PODRAVKA Food processing industry Inc