

Investment Company INTERCAPITAL SECURITIES Ltd. announces

**INVITATION TO SUBMIT THE OFFER FOR PURCHASE OF
576,880 SHARES OF THE ISSUER
PODRAVKA PREHRAMBENA INDUSTRIJA d.d.**

Investment Company INTERCAPITAL SECURITIES Ltd., Masarykova 1, 10 000 Zagreb, Croatia (hereinafter: „INTERCAPITAL“), has been authorized, upon tender carried out for selection of a person authorized for a public sale, by CAPITA TRUST COMPANY Limited, with its registered seat at The Registry, 34 Beckenham road, Beckenham, Kent, BR3 4TU and business address 7th Floor, Phoenix House, 18 King William Street, London EC4N 7HE, England (hereinafter: „Pledgee“) and OTP Bank Plc., Nádor 21, 1051 Budapest, Hungary as an assignee, to organize and execute the sale in the out-of-court pledge enforcement sale procedure of 576,880 shares (representing 10,64% of the share capital) of issuer PODRAVKA PREHRAMBENA INDUSTRIJA d.d., A. Starčevića 32, 48 000 Koprivnica (PODR-R-A; hereinafter: „Shares“), held by FIMA AMI Ltd. (hereinafter: „Pledgor“) in accordance with Article 495, Paragraph 2 of Capital Market Act (Official gazette No. 88/08, 146/08, 74/09; hereinafter: „the CMA“).

A request for deregistration of pledge over Shares and registration of Shares on a free position with INTERCAPITAL as a broker, shall be filed by Pledgee before Central Depository and Clearing Company Inc. (hereinafter: „CDCC“) at latest upon successful collection of the offers for the purchase of respective Shares, under the condition that submitted offers were valid and it is possible to sell the whole package, respectively all 576,880 shares. Pledgee retains the right to withdraw from the sale, without specifying any reason.

1. OFFERERS

All domestic and foreign legal or natural persons, who are pursuant to legislation of the Republic of Croatia, represented by Investment Company being registered member of Zagreb Stock Exchange, may act as buyers in a public sale.

Investment Companies may participate as buyers only when acting in its own name and for its own account and/or for portfolio accounts of its clients, within the services defined in Article 5, Paragraph 1, Points 3 and 4 of the CMA.

INTERCAPITAL is entitled to represent buyers with respect to receipt, transfer and execution of orders for the account of clients (but not the investment advisory services), through conduction of afore mentioned measures and other measures for prevention of potential conflict of interest prescribed by this Invitation.

2. OBJECT OF SALE

Object of sale is an amount of at least 1,500 shares PODR-R-A per buyer. Pursuant to Article 351, Paragraph 1, Point 3 of the CMA, sale shall be performed without previous publication of a prospect and therefore all of the offers which do not satisfy the condition from the said provision of the CMA, shall be treated as invalid.

3. TERMS AND CONDITIONS OF SALE, ORDER BOOK

Sale is conducted outside the regulated market or MTF.

In its offer, buyer should define the number of shares to be purchased and the purchase price. The offer may indicate that a buyer wants to buy the whole package (576,880) of Shares, stating that the offer is given by the "all or nothing" principle or that the buyer agrees to the allocation of those shares in respect of which his offer was the winning one.

The offer shall be submitted by the authorized Investment Company representing the buyer, in the name and for the account of the buyer. Offers should be submitted to INTECKAPITAL between 18th July 2011 at 8:00 until 19th July 2011 at 15:00 on the prescribed form - Purchase Order (hereinafter: the Offer Form), which forms integral part of this Invitation to e-mail address podr@intercapital.hr.

If the buyer is represented by INTERCAPITAL, buyer's order given to INTERCAPITAL shall have the meaning of the order from this Invitation, whereby the time of receipt of the order which shall be entered in the Order Book will be the time of receipt of the actual purchase order by the buyer. Buyers who are represented by INTERCAPITAL will also deliver the purchase order to e-mail address podr@intercapital.hr, but no later than 19th July 2011 at 14:00, which constitutes one of the measures for prevention of potential conflict of interests.

The offer shall be regarded as submitted, respectively order given within the deadline, if the email is received by INTERCAPITAL by the deadline for submission of offers, respectively by the deadline for giving orders specified in this Invitation. E-mail should be sent with the request for confirmation of its receipt; still INTERCAPITAL will not be liable for any failure in delivering or receiving e-mails. In case of dispute regarding receipt of the offer, INTERCAPITAL's confirmation of receipt of the e-mail shall solely be used as a confirmation of receipt of the offer and it will be issued to the buyer's agent in electronic format.

Receipt of the offer by INTERCAPITAL binds the buyer to purchase under the terms and conditions of the offer, respectively order, and upon receipt by INTERCAPITAL, revocation of the submitted offers is not allowed, except in the case of a new offer, respectively order which determines the price per share higher than previously offered for same or bigger amount of shares than previously offered and which explicitly supersedes the previous offer, respectively order. New offers/orders which supersede the previously submitted offers/orders, shall be submitted, respectively given under the same terms and conditions and the same procedure as prescribed in this Invitation for initial offers/orders. For account of one offeror several offers can be submitted, each of which must be on a separate Offer Form and must satisfy the minimum amount of shares that can be the subject of a purchase. In the event that the offer/order does not explicitly indicate that it supersedes the previous offer/order as well as the offer/order which explicitly indicates that it supersedes the previous offer/order, but does not define which previous offer/order and/or the number of shares indicated is less than in the corresponding previous offer/order and/or at lower price per share than in the corresponding previous offer/order, or such offer/order contains some other deficiency, such offer/order shall be treated as additional offer/order and the initial valid offer/order shall remain in force and shall bind the buyer.

In the cases when for one buyer several offers with the same or different prices are submitted through the same Investment Company all shall be binding. It is not required that all offers for one buyer are submitted simultaneously; however they must be submitted through the same Investment Company, or otherwise each subsequent offer, except the first one, shall be considered to be invalid.

The Investment Company representing the buyer is responsible for buyer's identification and determination of all the details required for participation in the selling procedure. By signing the Offer Form, the Investment Company representing the buyer confirms that in accordance with the internal procedures, it has received the purchase order from the buyer and has carried out client identification, respectively confirms that it acts in its own name and own account and/or client's portfolio account.

An integral part of the offer is the account number for the settlement before the CDCC, respectively standard settlement instructions; where in both cases the CDCC account must have "trading permitted" status.

INTERCAPITAL runs the Order Book. All orders received shall be registered in the Order Book, which shall for each customer include the minimum details as follows: date and time (hour and minute) of receipt of the offer, company name and headquarters, respectively forename, surname and residence of the buyer, PIN (Personal Identification Number) which the client holds in the Republic of Croatia,

UMCN (Unique Master Citizen Number), respectively passport number for foreign natural persons, company registration number, respectively number of entry in the Register in which the foreign legal person is registered, the price and quantity of shares subject to purchase, the account number for the settlement before the CDCC, respectively settlement instructions, and the name of the Investment Company representing the buyer.

Any offer received by INTERCAPITAL out of the period defined by this Invitation and/or offer for which the Offer Form does not contain the seal and signature of legal representative of the Investment Company representing the buyer and/or which in relation to one buyer contains a quantity of shares that is less than the prescribed minimum and/or for which the account for settlement in the CDCC has no "trading permitted" status and/or where condition defined in the provision of the Article 351, Paragraph 1, Point 3 of the CMA is not fulfilled and/or second offer is not in accordance with the provisions of this Invitation, shall be deemed to be invalid and will be designated as such in the Order Book and INTERCAPITAL will notify the buyer's agent via e-mail regarding the matter, or buyer directly if it is represented by INTERCAPITAL, not later than the next working day from the closing of the Order Book.

The Order Book shall be closed on 19th July 2011 at 15:00. Upon closing of the Order Book, buyers, respectively winning offers are defined. Buyers are not entitled to inspect the Order Book, but each of the interested buyers can obtain the on-demand print of Order Book with regards to details of its offer(s).

Winning offers shall be determined immediately after the closing of the Order Book.

The main principal of allocation is achievement of the highest price for whole package of 576,880 shares. When defining which offers are winning, the advantage will have the offers with higher price. Buyers explicitly agree to the option that the amount of shares which will be allocated to them will be smaller than the amount stated in their offer, with regard to the number of shares for which their offer satisfies the criteria for winning offer.

If several offers will have the same price, offers with the earlier time of receipt in the Order Book will have the advantage, and if several winning offers that exceed the amount offered for sale will have the same receipt time, allocations of shares to clients shall be made proportional to the quantity demanded. Offer which upon the closing of the Order Book cannot be given a minimum amount of at least 1,500 shares cannot be determined as the winning one. Offer(s) to purchase the whole package (576,880) of shares under the "all or nothing" principle will have the advantage not only to the highest offered price per share, as well, in the case when such price is not the highest offered, but is higher than the average price per share that would be obtained without this "all or nothing" offer, as well as when without such "all or nothing" offer all concerned shares could not be sold.

Each buyer buys the shares at the price it has stated in its winning offer and which is registered in the Book of Orders.

INTERCAPITAL will immediately, and at the latest next working day after the Order Book was closed, notify winning offerors via e-mail that their offers were accepted.

If the total amount of shares from the Order Book will not exceed the total amount that is subject to sale, than all offers shall be deemed invalid and the sale process terminated.

4. SETTLEMENT OF TRANSACTIONS:

Settlement of transactions will be made on the "FoP settlement instruction" of shares offered for sale, in accordance with the applicable Rules of the CDCC, in a single settlement. Delivery of the shares to the buyer's settlement account, provided that the full payment has been made, will be made on the settlement date, on 22nd July 2011.

The buyer or the Investment Company representing the buyer is required to pay in the money amount required to purchase the shares, plus the cost of settlement of the CDCC and the cost of brokerage commissions if the buyer is represented by INTERCAPITAL, to the INTERCAPITAL's special purpose account number 2402006-1300000162 at Erste Steiermärkische Bank d.d. with a reference number (Identification Number / Registration Number / Tax Number) whereby the amount of money required for purchase must be indicated on the INTERCAPITAL's account at the time of closing the Order Book. If the payment is not visible by the closing of the Order Book, the offer shall be deemed not submitted and will be marked as invalid.

Exceptionally, qualified investors as defined in Article 343, Paragraph 1, Point 6 of the CMA can settle the purchase via custodian based on the "DVP settlement instruction", also in a single settlement, in accordance with submitted standard settlement instructions.

If the buyer will settle the transaction via custodian based on the "DVP settlement instruction", the Investment Company representing the buyer is obliged to determine whether the buyer meets the requirements of Article 343, Paragraph 1, Section 6 of the CMA. At the request of INTERCAPITAL, the Investment Company representing the buyer which will settle the transaction based on the "DVP settlement instruction", and is not supervised by the Croatian Agency for Supervision of Financial Services, is obliged to prove that it meets the requirements of Article 343, Paragraph 1, Point 6 of the CMA.

After closing the Order Book, INTERCAPITAL shall deliver to the buyer or the Investment Company representing the buyer, whose offer will be determined as winning, the confirmation, respectively

payment instructions. If multiple offers will be determined as winning, one confirmation will be submitted. The confirmation will be delivered to a Investment Company representing the buyer, or if the buyer is represented by INTERCAPITAL - directly to the buyer to the email address specified in the Brokerage Agreement agreed with a client or eventually to the second address marked in the Form for communication with the buyer in this procedure.

The purchase amount paid in to INTERCAPITAL account number 2402006-1300000162 at Erste Steiermärkische Bank d.d. will be promptly returned to buyers whose offers shall not be determined as winning, no later than next day after closing of the Order Book to the account from which was paid in, respectively if it is not visible, no later than next day after receipt of the notice on account, to the account on which INTERCAPITAL received notice.

Fund Management Company is considered as one buyer, regardless of the number of funds on behalf of which it participates, and it can provide details on the allocation among the funds subsequently but no later than 20th July 2011 until 10:00 am through e-mail address podr@intercapital.hr, after receipt of confirmation, given that one fund can't be allocated less than 1,500 shares, as the minimum amount prescribed for purchase and provided that the condition defined in the provision of the Article 351, Paragraph 1, Point 3 of the CMA is fulfilled in relation to each buyer.

If the Investment Company is acting on behalf of the portfolio managed, in accordance with the framework of activities under Article 5, Paragraph 1, Point 4 of the CMA, the delivery of shares for settlement will be made in the entire amount to the Investment Company's client portfolio account in amount not less than 1,500 shares per client, as the minimum amount prescribed for purchase and provided that the condition defined in the provision of the Article 351, Paragraph 1, Point 3 of the CMA is fulfilled in relation to each buyer.

5. OTHER:

Details of the transactions agreed within the Order Book will be published by INTERCAPITAL in accordance with Article 7 of Rules on Disclosure of Trades, after closing the Order Book and defining the winning offers.

All interested parties can obtain details regarding the sale at INTERCAPITAL's headquarters by phone at numbers +385 1 4825 890, weekdays from 9:00 to 16:00.

All dates and time determined with this Invitation, shall correspond to Central European Time (CET).

The sale shall be governed by Croatian law, excluding application of collision rules.

By submitting of the offer, the offeror accepts all terms and conditions of this Invitation.

In Zagreb, 9th July 2011

ORDER FOR PURCHASING OF SHARES OF THE ISSUER

Podravka prehrambena industrija d.d. Koprivnica

1. Buyer's details

1.1.	Buyer's forename and surname/ Company name	
1.2.	Buyer's permanent residence/ registered seat	
1.3.	OIB [PIN] (if Buyer obtained one in HR)	
1.4.	UMCN/ number of passport for foreign natural persons; PIN/ number from the Register for foreign legal persons	

2. Buyer's Agent

2.1.	Company name of the Investment Company	
2.2.	Email address for notices	

3. Object of the sale

3.1.	Number of shares	
3.1.a	In case of an offer for purchasing of all shares which are the object of the public sale (encircle option A or B) <i>* if none of the options is encircled, it will be presumed that the option B) was chosen</i>	A) Offer is based on "all or nothing" principle B) Buyer accepts to purchase smaller number of shares remaining after the allocation to other winning offers.
3.2.	Price per share	

4. Settlement details (please fill in the details required under 4.1.or 4.2.)

4.1.	Number of account at CDCC	
4.2.	Standard settlement instructions (number and name of custodian account)	

5. Withdrawal of earlier offer, under the conditions from the Invitation

*(*all other details must be identical as in the earlier offer)*

5.1.	Number of shares	
5.2.	Price per share	

PURCHASER'S AGENT:

Stamp and signature of authorized representative
of the Investment Company