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MEDIA RELEASE

**The subscription to new Podravka shares within the share capital
increase starts**

At the Zagreb Stock Exchange before actual and potential big investors, Podravka Inc. presented share capital increase process, announcing the beginning of the subscription process to new shares of Podravka Inc.

It is known that on 7th July starts the subscription of new shares of Podravka Inc., in the first round only for employees of Podravka d.d. and related companies, and in the second round for existing shareholders, i.e. shareholders of Podravka Inc., who as on 3rd June 2015 had shares on their non-materialized securities account held at CDCC. Pursuant to the resolution of the General Assembly on share capital increase and to the Prospectus on Issue and Listing, Podravka Management Board will decide within 5 working days after the second round is concluded (i.e. after 20th July) eventually on conducting of the third round, and will publish the public invitation to subscription of the remaining new shares in the third round.

„Through the share capital increase by issuing new shares we expect to gather up to HRK 510 million. Funds gathered are primarily planned to be used for financing of the acquisition of the shares of Žito d.d. Ljubljana, for investment in business expansion on new markets and as additional source for financing of the new Belupo factory for solid, semi-solid and liquid drugs, aiming to ensure sufficient production capacities for further growth and development“ – Podravka Management Board president Zvonimir Mršić pointed out during the presentation on share capital increase held today.

The issuing agent of Podravka Inc. in preparation and implementation of the public offering for new shares is Zagrebačka banka Inc., in whose branch offices the subscription of new shares starts tomorrow.

„We are really pleased that Zagrebačka banka as the issuing agent can support Podravka Inc., one of the biggest companies in Croatia, whose share is among the most traded ones at the Zagreb Stock Exchange. Continuing this way our long-year successful cooperation with Podravka, in various segments of business, we expect this arrangement will contribute to further development of the company and additional strengthening of its position in the region. Besides, this transaction should significantly contribute to further development of



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Croatian capital market“ - Marko Remenar, Zagrebačka banka Management Board member said.

Podravka Inc. will request the listing of all newly issued shares in the Official market of the Zagreb Stock Exchange.

"We are extremely pleased that the companies increasingly recognize the advantages of financing through the capital market. We believe that such moves will be an example to other companies who need funds for growth and development and that the domestic capital market will see some other interesting investment projects in the near future", - Tomislav Gračan, Zagreb Stock Exchange Management Board member said.

Subscription of new shares of Podravka Inc., at the price of HRK 300.00, will start in the first and second round simultaneously.

In the first round of the subscription, natural persons with the status of an employee in any of the following companies have the right to the subscription and payment of the new shares: PODRAVKA d.d., DANICA d.o.o., BELUPO d.d. and DELTIS PHARM PHARMACIES as on 3rd June 2015, to the maximum of

- 314,640 new shares (new shares from the first round), and
- depending on the outcome of the subscription and payment for the shares in the second round, additional 498,360 of new shares from the second round with the Pre-Emption Right (as defined below) in respect to which the existing shareholders did not exercise the pre-emption right during the subscription and payment in the 2nd round, as explained below, i.e. maximum 813,000 new shares.

In the first round of subscription, shares shall be subscribed and paid for within the period of 7 days, specifically in the period from 7 July 2015 until 13 July 2015, including the specified dates.

In the second round of subscription the right to subscribe and pay for the shares shall be granted to the shareholders of the Company which, in accordance with the rules of the CCDC, held shares at their dematerialised securities accounts with the CCDC on 3 June 2015, up to – 1,385,360 new shares which were not subject of subscription and payment in the first round, in respect to which the existing shareholders have the pre-emption right of subscription and payment, and



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– depending on the outcome of subscription and payment of new shares in the first round, remaining new shares from the first round which possibly were not subscribed and paid for in the first round.

In the second round of subscription, the shares shall be subscribed and paid for within 14 days, in the period from 7 July 2015 until 20 July 2015, including the specified dates. The Management Board of Podravka Inc. shall, within 5 working days as of the completion of the second round, decide on the possible implementation of the third round, and shall publish a public invitation for the subscription of the remaining new shares which were not subscribed to and paid in the first and second round. The right to subscribe and pay for the new shares in the third round, shall be granted to all investors regardless of whether or not they participated in the 1st or 2nd round, within 7 days as of the day stated in the public invitation for the subscription for the shares in the 3rd round.

Regards,

Corporate Communication Department