



Koprivnica, 14 October 2010

*REPLYING THE JOURNALIST QUESTION*

Dear sir/madam,

here is the reply to questions about "Lero".

Podravka Management Board is striving to optimize all production processes taking place within Podravka, and that refers to beverages segment as well. Considering the present market situation, the project of uniting beverages production in one location is underway, making a positive step towards the costs in beverages production and thus increasing the competitiveness of our products in the market. Employees of Lero d.o.o. will be provided for in a maximally acceptable manner, i.e. part of the employees will be offered another position within Podravka, and part of the employees will receive stimulating severance payments, which will definitely be higher than those lawfully proscribed. Podravka will continue to invest in the development of Lero branded products.

Kind regards,

PODRAVKA d.d.

Corporate Communication