



CORPORATE COMMUNICATION

Koprivnica, 16th July 2012

MEDIA RELEASE

Program of Incentive Severance Pay in Podravka Accepted by 288 Employees

Even 288 employees at Podravka Group accepted the program of incentive severance pay, amounting approximately to HRK 37 million. This would be the first round of redundancy programme, while the second round is envisaged in autumn. The Company expects to repay the amount of severance payments within 15 months from regular business activities.

Employees who are leaving the company by 1st September 2012 will receive severance pay of HRK 4000 net for each year of work at Podravka Group, and the employees included in the second round of the redundancy program and are leaving the company by 30th November 2012 will receive severance pay of HRK 3000 net for each year of work at Podravka Group.

Redundancy program went through process of consultations with the Workers Council. The severance pay amount per employee will be from HRK 40,000 to 164,000, depending on the years of service at Podravka Group.

All such changes are being introduced with the purpose of aligning Podravka business with the existing market economy conditions, and increasing the efficiency of business processes and dealings.

Podravka d.d.
Corporate Communication Department