



SUPERVISORY BOARD

No. NO-82-1-2012  
Koprivnica, 24 April 2012

Pursuant to Article 263, item 3, Article 280, item 3 and Article 300 c and d of the Companies Law ("Official Gazette" no. 111-1993, 34-1999, 52-2000, 118-2003, 107-2007, 146-2008 and 137-2009), the Supervisory Board of Podravka d.d. at its 82<sup>nd</sup> session held on 24<sup>th</sup> April 2012 reached the following

REPORT OF THE SUPERVISORY BOARD OF PODRAVKA d.d.  
ON THE SUPERVISION OF MANAGING BUSINESS OPERATIONS  
OF PODRAVKA d.d. IN 2011

This Report includes the period from 1<sup>st</sup> January 2011 until 31<sup>st</sup> December 2011.

The Supervisory Board of PODRAVKA d.d. (hereinafter: the "Supervisory Board") pursuant to powers defined in provisions of the Companies Law, the Articles of Association of PODRAVKA d.d. and the Rules of Procedure of the Supervisory Board, continually supervised the business operations of PODRAVKA d.d. in 2011 by making decisions and conclusions over eleven sessions held in 2011.

By supervising the business operations of PODRAVKA d.d., the Supervisory Board discussed numerous issues regarding business operations of PODRAVKA d.d. and its subsidiaries in 2011.

The Supervisory Board established an Audit Committee that has held two sessions in 2011, and due to the specific situation in business operations of Podravka d.d. all the members of the Supervisory Board have participated in all the detailed analyses of Podravka's business, as well as in all the activities connected to appointing or rewarding the management. The Supervisory Board thus performed the function and activities of the Remuneration and Nomination Committee.

Members of PODRAVKA d.d. Supervisory Board changed over 2011 as follows:  
In the period from 1<sup>st</sup> January to 8<sup>th</sup> April 2011 the Supervisory Board members were: Ljubo Jurčić – president, Ksenija Horvat – deputy president, Karmen Antolić, Nikola Gregur, Miljenko Javorović, Petar Miladin, Dinko Novoselec, Dubravko Štimac and Petar Vlaić – Supervisory Board members.

In the period from 8<sup>th</sup> April to 31<sup>st</sup> December 2011 the Supervisory Board members were: Ljubo Jurčić – president, Karmen Antolić, Nikola Gregur, Miljenko Javorović, Petar Miladin, Dinko Novoselec, Dubravko Štimac, Petar Vlaić and Martinka Marđetko-Vuković – Supervisory Board members.

Having examined the management of business operations of PODRAVKA d.d., the Supervisory Board established that PODRAVKA d.d. acted in 2011 in accordance with laws, Articles of Association, acts of PODRAVKA d.d. and resolutions of the General Assembly.



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The Supervisory Board examined the report of the Auditor - Deloitte d.o.o. Zagreb, Radnička cesta 80, who has reviewed financial reports of PODRAVKA d.d. and its subsidiaries for the year ended 31<sup>st</sup> December 2011 (consolidated reports by Podravka Group) and the Supervisory Board accepted the report submitted by the Auditor.

After having reviewed the Annual report on PODRAVKA d.d. and its subsidiaries business operations and on the position of the Company in 2011, submitted by the Management Board of PODRAVKA d.d., the Supervisory Board has established that annual financial reports of PODRAVKA d.d. and its subsidiaries for the year ended 31 December 2011 were disclosed in accordance with positions in business records of PODRAVKA d.d. and its subsidiaries, and that they disclosed correctly the property and business positions of PODRAVKA d.d. and its subsidiaries, and the Supervisory Board gave its approval, and thus, compliant to Article 300 of the Company Law, these reports are considered verified.

The Supervisory Board examined the report of the Auditor - Deloitte d.o.o. Zagreb, Radnička cesta 80, who has reviewed financial reports of PODRAVKA d.d. and its subsidiaries for the year ended 31<sup>st</sup> December 2011 and the Supervisory Board accepted the report submitted by the Auditor.

After having reviewed the Annual report on PODRAVKA d.d. business operations and on the position of the Company in 2011, submitted by the Management Board of PODRAVKA d.d., the Supervisory Board has established that annual financial reports of PODRAVKA d.d. for the year ended 31 December 2011 were disclosed in accordance with positions in business records of PODRAVKA d.d. and that they disclosed correctly the property and business positions of PODRAVKA d.d., and the Supervisory Board gave its approval, so compliant to Article 300 of the Company Law these reports are considered verified.

The Supervisory Board approved the report of the Management Board of PODRAVKA d.d. on the position of PODRAVKA d.d. and PODRAVKA d.d. and its subsidiaries for the year ended 31<sup>st</sup> December 2011.

Constituent parts of financial reports of PODRAVKA d.d. and its subsidiaries for the business year ended 31<sup>st</sup> December 2011 are as follows:

1. Statement of comprehensive income
2. Statement of financial position
3. Statement of changes in shareholders' equity
4. Statement of cash flows
5. Notes on financial statements
6. Annual Report

Constituent parts of financial reports of PODRAVKA d.d. for the year ended 31<sup>st</sup> December 2011 are as follows:

1. Statement of comprehensive income
2. Statement of financial position
3. Statement of changes in shareholders' equity
4. Statement of cash flows
5. Notes on financial statements
6. Annual Report



*SUPERVISORY BOARD*

Supervisory Board received a draft resolution by Podravka d.d. Management Board on transferring loses for the business year 2011 and in this draft resolution it is determined that in the year ended on 31<sup>st</sup> December 2011 Podravka d.d realized after-tax loss amounting to HRK 9,534,378.44, also suggesting that this loss be transferred to the following period.

The Supervisory Board is compliant with this draft resolution by Podravka d.d. Management Board on transferring the loss and it is proposing to Podravka d.d. General Assembly to pass such resolution.

President of the  
Supervisory Board:

Dubravko Štimac