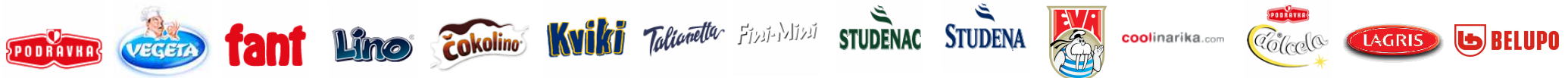




Podravka Group Business Results

2006





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Overview of key events

Overview of key events 2006

For the second year in a row
Vegeta proclaimed the
strongest brand according to
Prizma research
(SLO, CRO, SRB, B&H)

New members to the
Supervisory Board

Supreme Court of Croatia
accepts revision
in litigation with
Avena d.o.o.

Koprivnička tiskarnica
sold to Grafičar

Merge of Podravka
companies in Poland

Eva brand purchase

Distribution contract with
Nestlé discontinued
for some markets

Corporate bond
in kuna issued
worth HRK 375 mln

Baby food factory
construction started

Total investment
HRK 182 mln

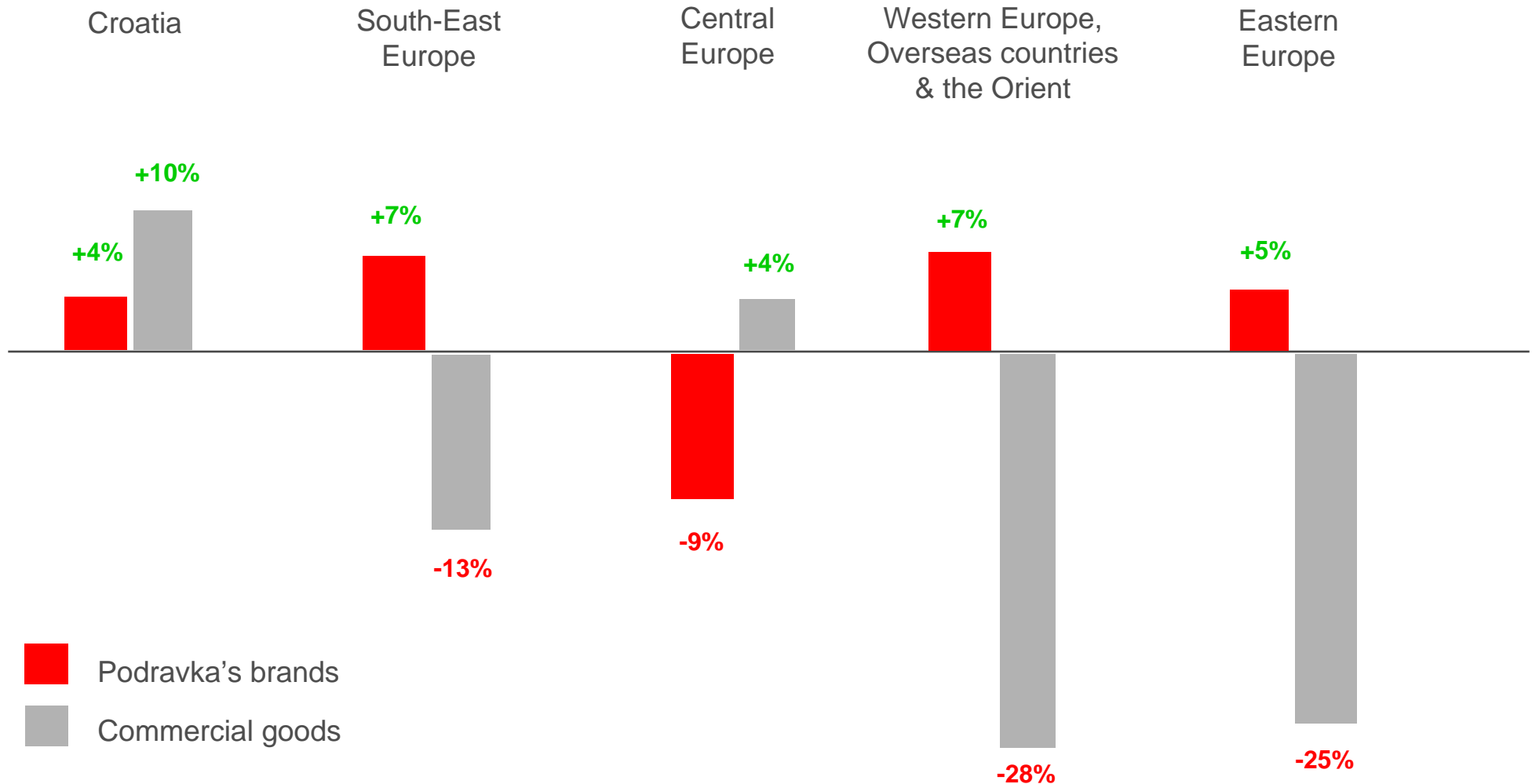
Podravka becomes
IBLF member

Sustainable development
report issued according to
GRI guidelines

Vegeta
Superbrand Russia

Podravka
Superbrand Slovakia

Organic growth of SBA Food & Beverages



New products in 2006



Čokolino cereals launched
in February 2006

Čokolino spread launched
in September 2006

Lino baby food with prebiotic
launched in July 2006



New products in 2006



New Vegeta Liquid Stock launched to the Australian market in May 2006

- Food Seasonings realized 34% sales increase
- Food Seasoning market share on the Australian market increase from 22% up to 29%



**Vegeta pikant
launched
in September 2006**

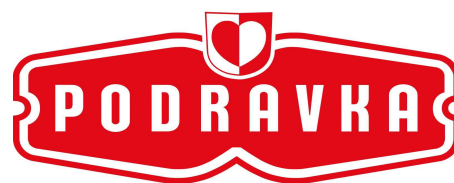


New products and new product design in 2006

Podravka Soups



The new design of Podravka Soups in September 2006



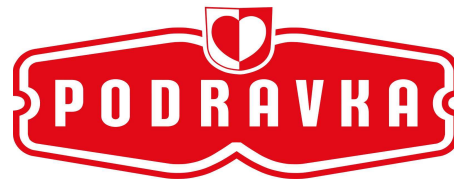
Ready-to-serve meals

Ready- to- serve meals launched in February 2006



New products in 2006

Jams, ready- made sauces & chopped tomatoes



Frozen products and Vegetables



New pharmaceutical products in 2006



Eva- icon of a walrus in Podravka's product portfolio



Podravka purchases EVA brand from Adria, Zadar



one of the most accepted brands of tinned fish in Croatia and Southeast Europe (GfK research)



among top brands for recognizability, use, popularity in sardines category in the markets of Croatia and South East Europe (GfK research)



listing of new products in the first quarter of 2007



a category with big potential of expanding assortment of new products

Sardines



Tuna



Warzywko & Perfecta



Podravka and Kamis submitted to Polish Agency for the protection of market competition a request to approve the purchase of Warzywko and Perfecta brands



Warzywko – Polish brand for universal and special food seasoning and bouillons



Perfecta – universal food seasonings brand sold in Russia, Ukraine, Romaina



Purchasing Warzywko Podravka will strengthen its leader position on Polish market of food seasonings



Purchasing Warzywko Podravka enters “medium price” segment on Polish market and expands consumer base and profiles

Warzywko



Perfecta



Investments outlook 2006





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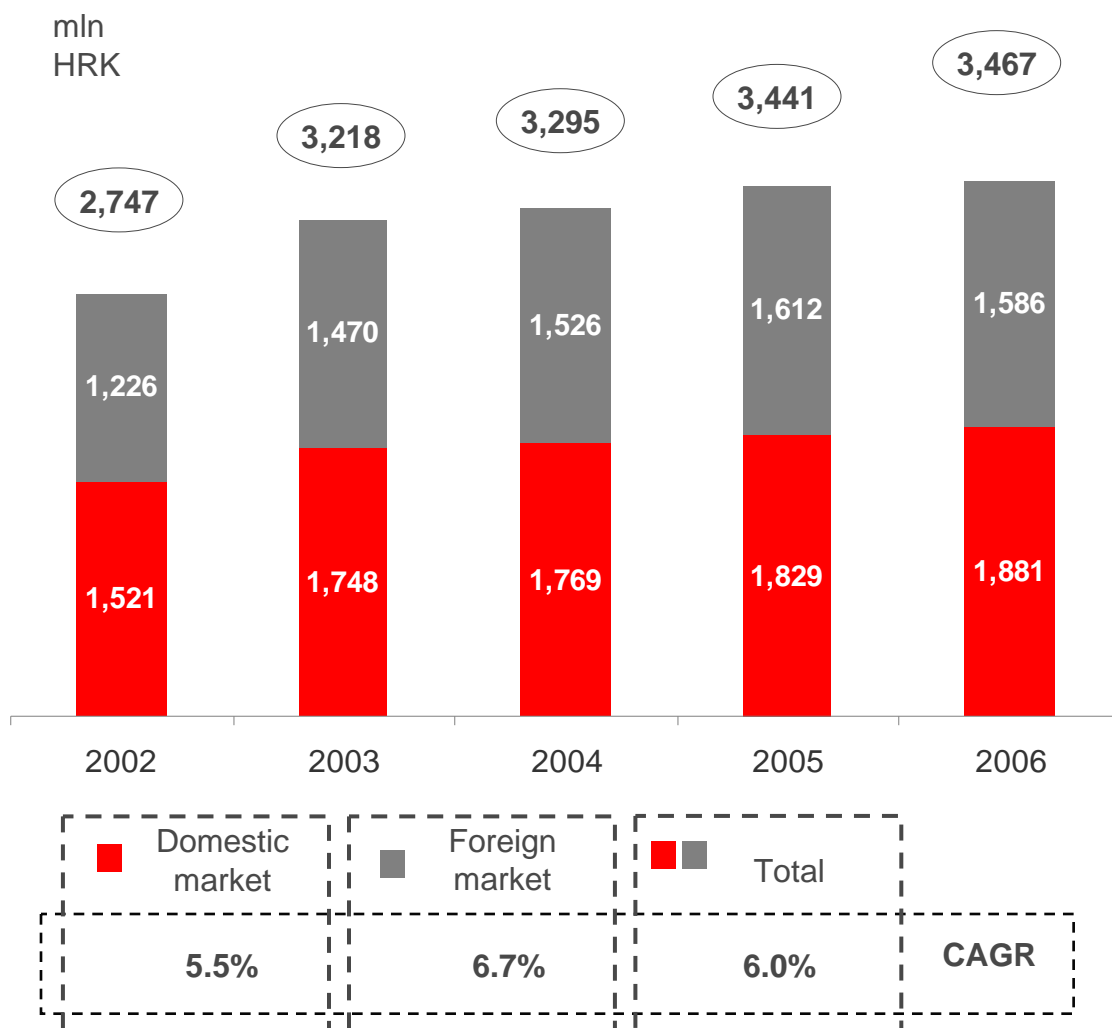
LAGRIS

BELUPO

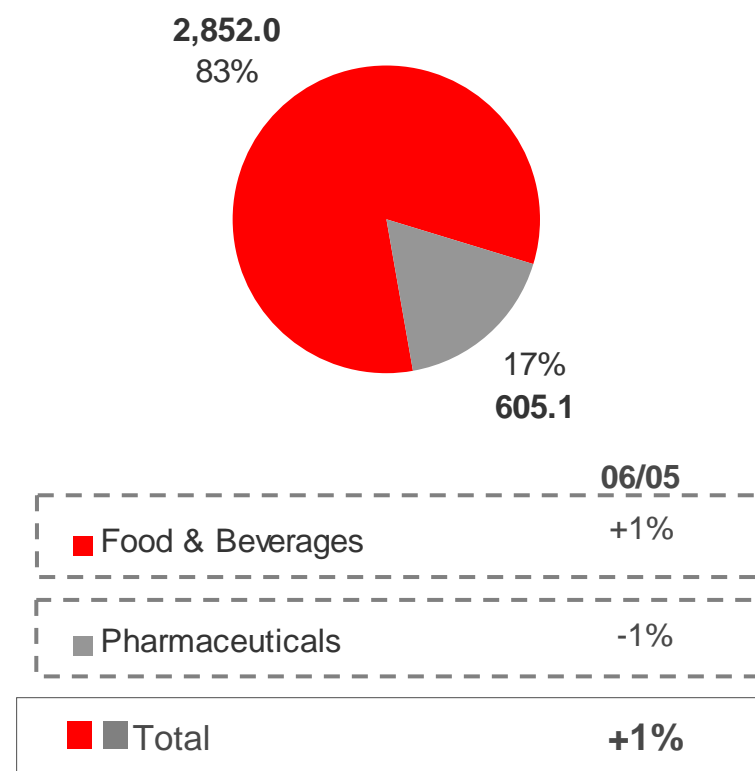
Podravka Group Sales

Sales structure of the Podravka Group 2006

Sales growth on domestic and foreign markets
2002-2006



Sales structure according to SBA
HRK mln



Note: SBA Services account for 0,3% of total sales

SBA Food & Beverages

-1%

+5%

+7%

+4%

+4%

+1%

-9%

+16%

-3%

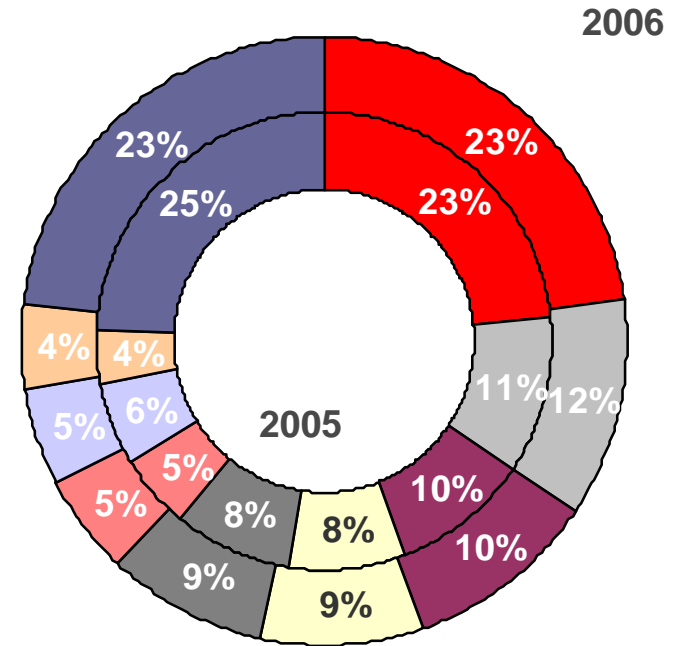
Total growth

+1%

- Vegeta- Food Seasoning
- Meat & meat products
- Baby Food, Sweets & Snack
- Fruit & Vegetables
- Podravka Dishes
- Beverages
- Rice & Legumes
- Other
- Commercial Goods

Total sales

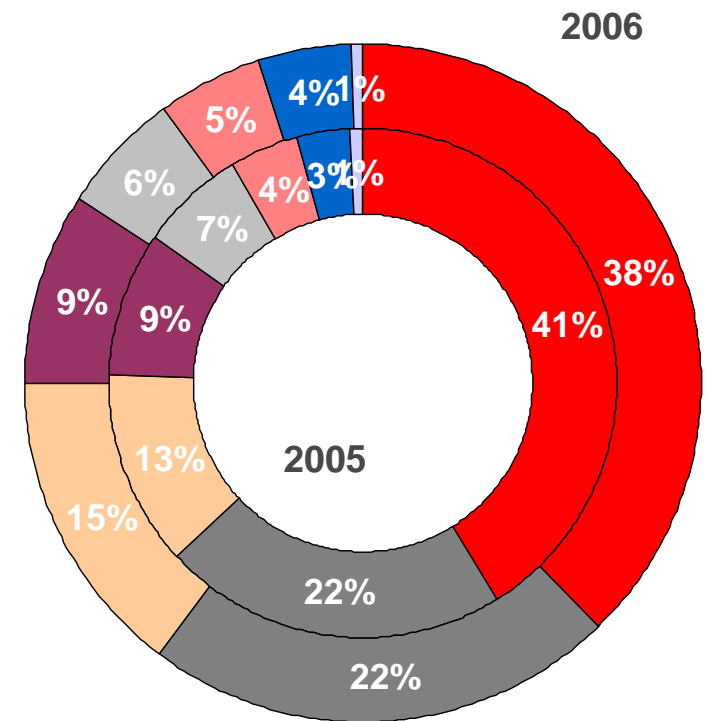
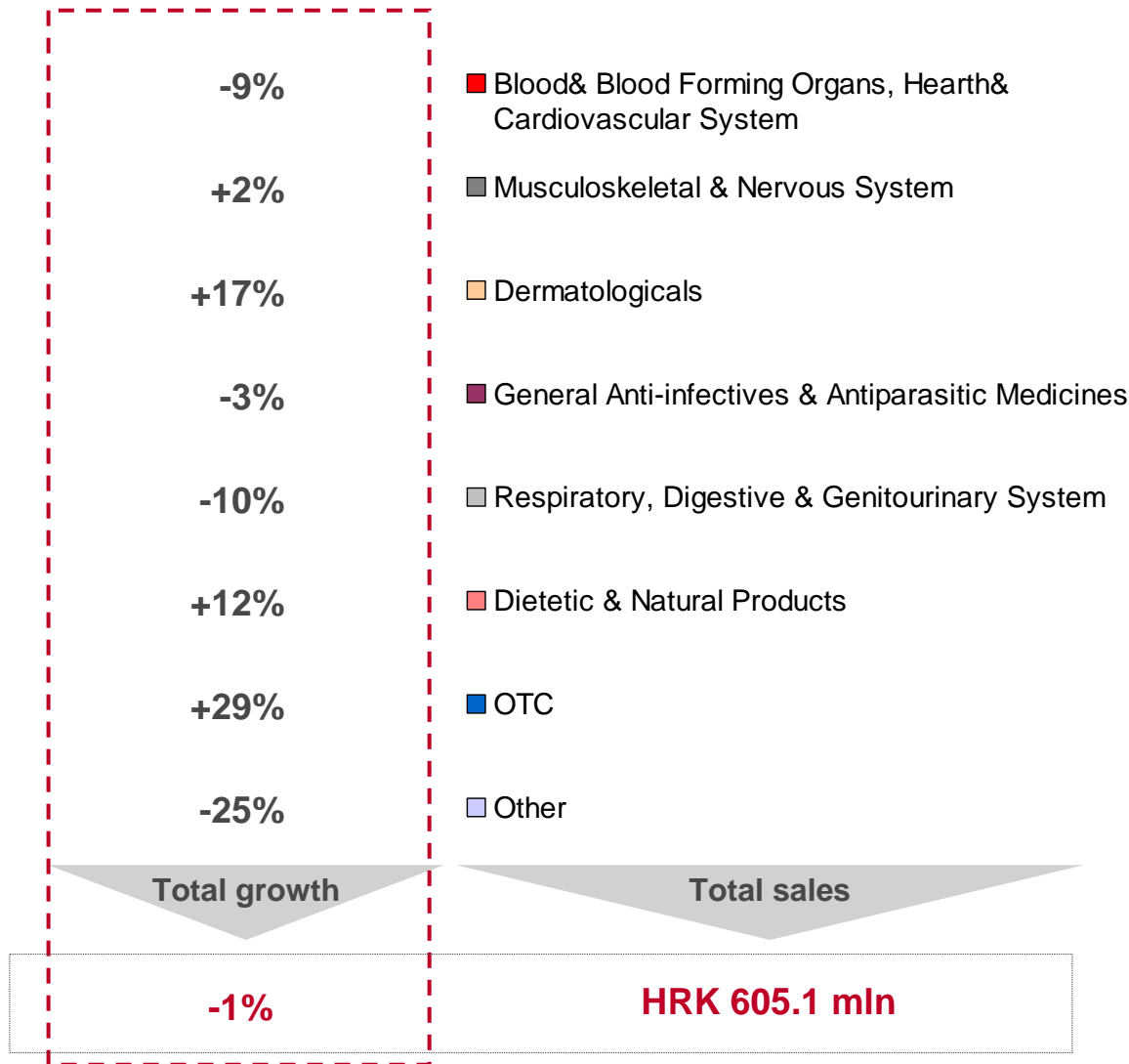
HRK 2,852.0 mln



Organic growth

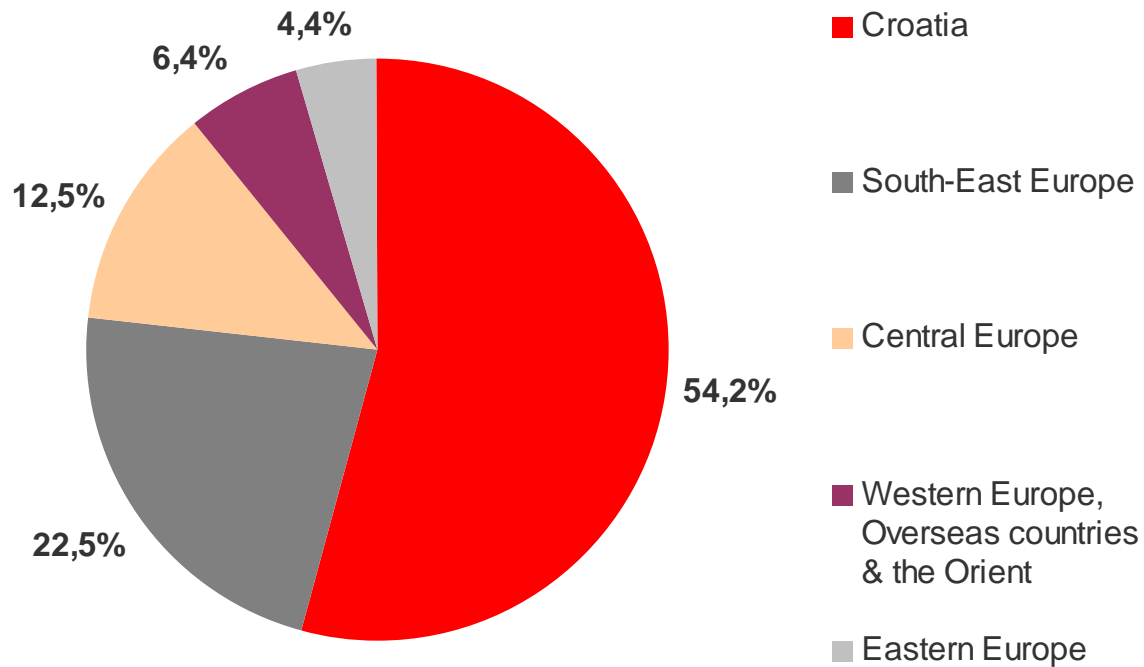
2%

SBA Pharmaceuticals

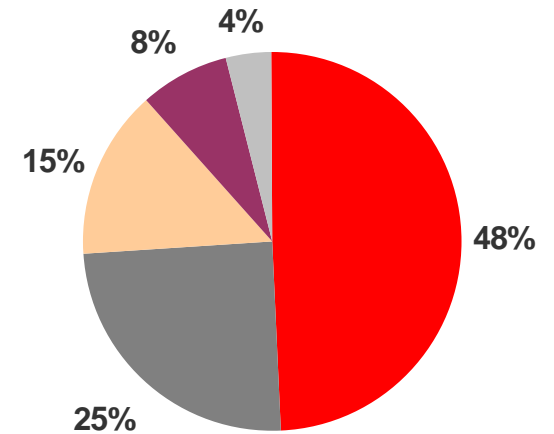


Sales structure per markets

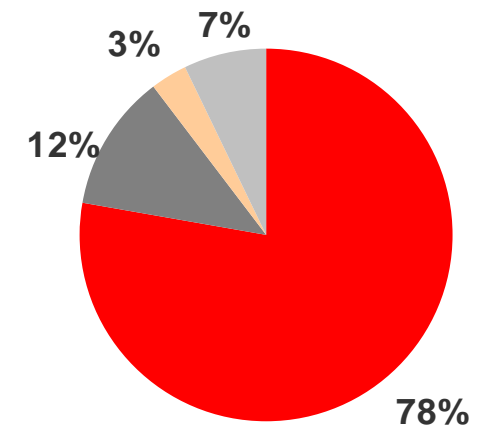
Sales structure per markets



Sales structure of SBA Food & Beverages per markets



Sales structure of SBA Pharmaceuticals per markets



Croatian market

March 2007

Market characteristics

Total sales: HRK 1,880.8 mln

Food & Beverages organic growth: +4%

Merge of sales operative divisions within SBA Food&beverages

Costs rationalization and more quality processing of points of sale

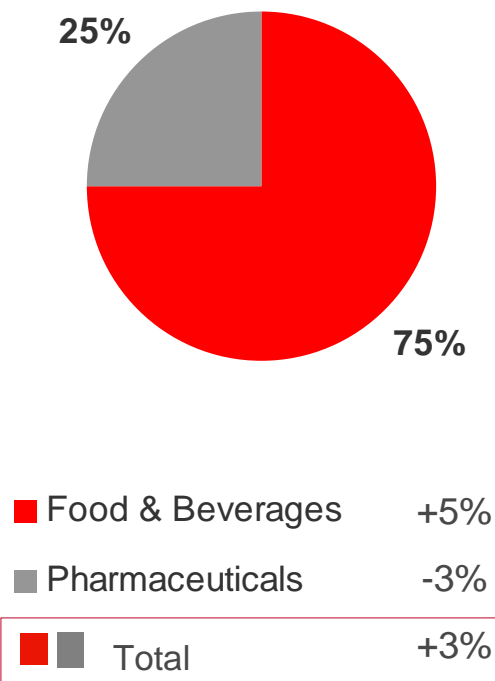
“hard discounters” entry starts the final stage of retail market consolidation

Key accounts share in total sales is growing

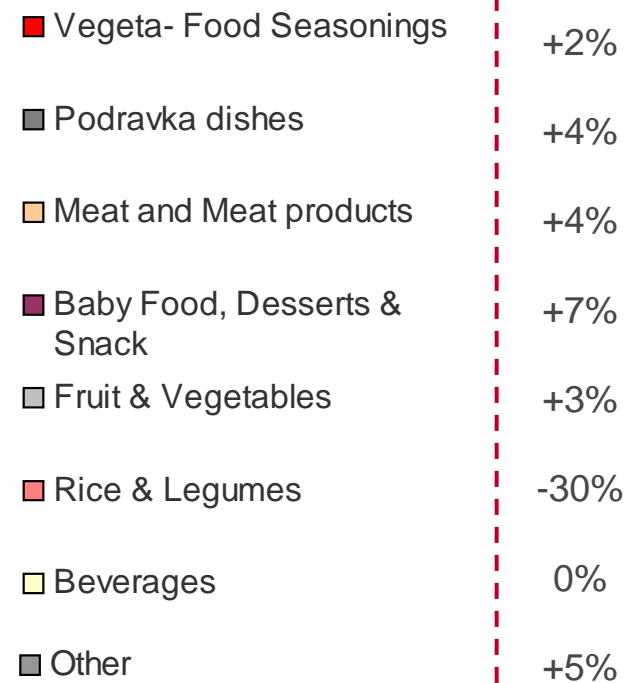
Profitability retained through rationalizing costs and positioning through sales policy

Eva brand purchase

Sales per SBA



Sales growth per SBA Food & Beverages



organic growth

+4%

South-East Europe market

Market characteristics

Total sales: HRK 778.7 mln

Food & Beverages organic growth: +7%

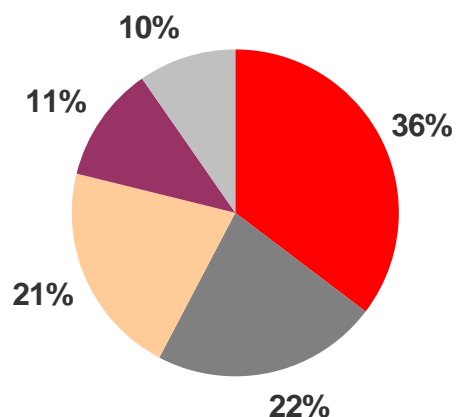
Serbia: Nestle products distribution in small stores discontinued

B&H/Macedonia: complete discontinuation of Nestle products distribution

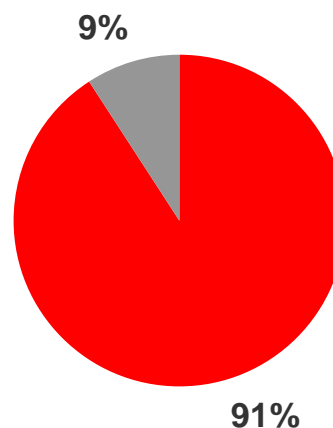
Commercial goods: sales drop -13%

Serbia: organic growth +24%

Sales per countries



Sales per SBA



	change
B&H	-9.6%
Serbia	7.4%
Slovenia	8.3%
Macedonia	-12.0%
Other	8.2%
Total SE Europe	-1.3%
Food & Beverages	-0.5%
Pharmaceuticals	-8.6%

Central Europe market

Market characteristics

Total sales: HRK 434.8 mln

Food & Beverages organic growth: +4%

Profitability improvement

Focus on profitable product groups

Czech market: private labels production discontinued in Rice and legumes product group

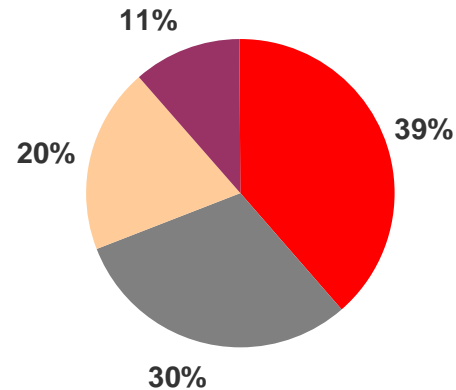
Czech market: service production for Kraft foods discontinued

Czech Republic/Slovakia: production rationalization-Lagris

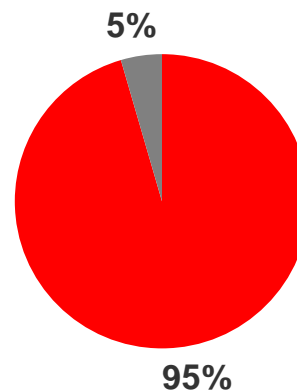
Poland: dependant companies merge

Slovakia: Podravka Superbrand

Sales per countries



Sales per SBA



	change
Czech Rep.	-9.7%
Poland	-9.2%
Slovakia	1.7%
Hungary	-9.4%
Total CE	-7.4%
Food & Beverages	-8.3%
Pharmaceuticals	16.6%

Western Europe, Overseas countries & the Orient

Market characteristics

Total sales: HRK 221.9 mln

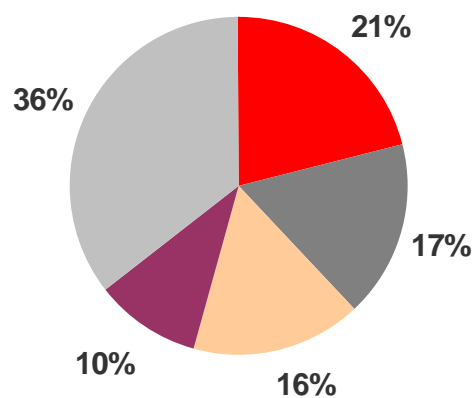
Food & Beverages organic growth: +7%

Germany: entry into Lidl chain

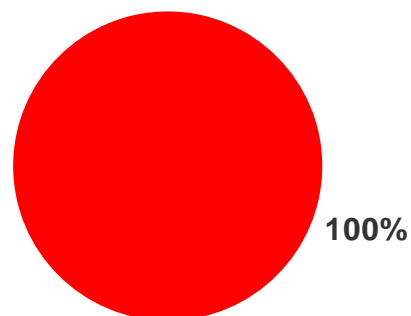
Australia: Vegeta liquid stock launched

Australia: Vegeta growth +34%

Sales per countries



Sales per SBA



change

Germany	5.1%
USA	-1.0%
Australia	14.4%
Austria	1.3%
Other	-3.7%
Total WE, Overseas countries & the Orient	1.7%
Food & Beverages	2.0%
Pharmaceuticals	-76.2%

Eastern Europe

Market characteristics

Total sales: HRK 151.3 mln

Food & Beverages organic growth: +5%

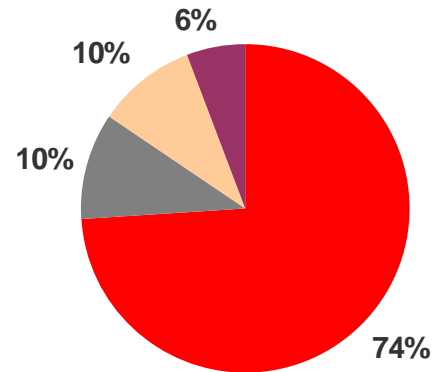
Pharmaceuticals: growth generator

Russia: 16% sales growth

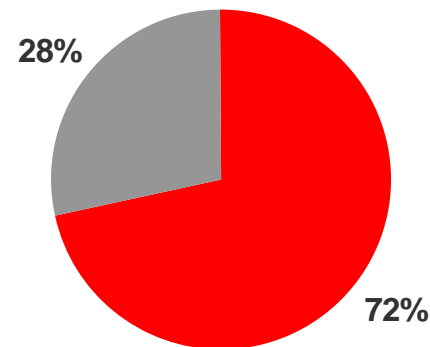
Romania: new organization

Russia: entry into Magnit-
second largest commercial chain in Russia

Sales per countries



Sales per SBA



	change
Russia	16.0%
Pribaltic	-11.5%
Romania	15.8%
Other	11.5%
Total EE	12.1%
Food & Beverages	2.0%
Pharmaceuticals	49.2%



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Financial indicators

Restructuring process in 2006

Management Board decides to continue the restructuring process for non-basic parts of the company

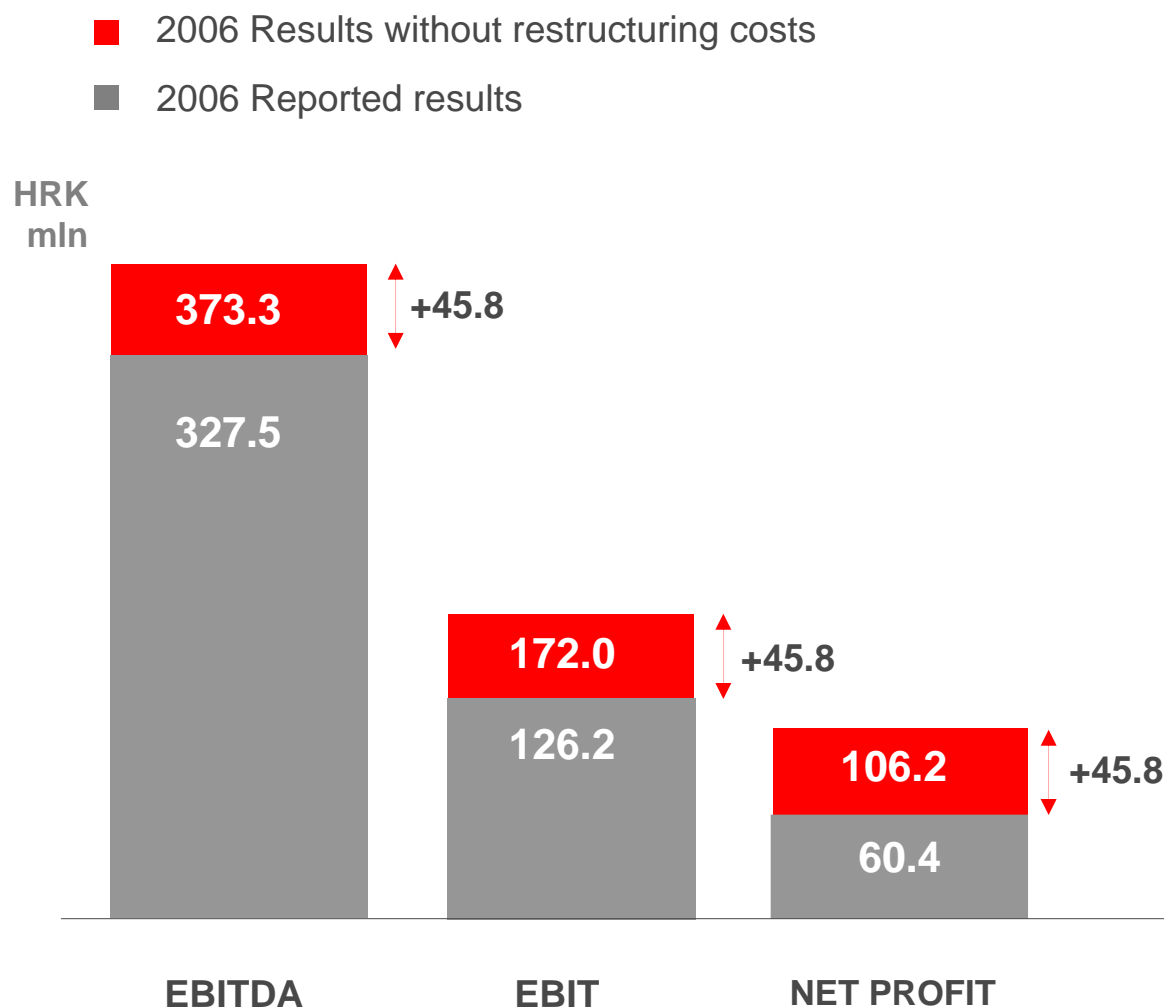
Koprivnička tiskarnica d.o.o. spin-off

Merge of companies in Poland

New Collective agreement signed

Severance payments

Internal reallocation of employees with the purpose of reducing seasonal/casual employment



Podravka Group business results without the restructuring costs impact

Podravka Group	Results without the restructuring costs impact			Reported result		
	2006	2005	06/05	2006	2005	06/05
Sales	3,467.5	3,441.4	1%	3,467.5	3,441.4	1%
Gross profit	1,351.2	1,336.9	1%	1,351.2	1,336.9	1%
EBITDA	373.3	315.9	18%	327.5	308.5	6%
EBIT	172.0	92.9	85%	126.2	85.5	48%
Net profit	106.2	70.0	52%	60.4	62.6	-4%
Gross margin %	39.0	38.8	12 bp	39.0	38.8	12 bp
EBITDA margin %	10.8	9.2	159 bp	9.4	9.0	48 bp
EBIT margin %	5.0	2.7	226 bp	3.6	2.5	116 bp
Net margin %	3.1	2.0	103 bp	1.7	1.8	-8 bp

Business results per SBA

SBA	Food & Beverage			Pharmaceuticals		
	2006	2005	06/05	2006	2005	06/05
Sales	2,852.0	2,820.0	1%	605.1	612.0	-1%
Gross profit	1,008.5	985.3	2%	342.7	359.5	-5%
EBITDA	143.0	187.0	-24%	169.8	118.2	44%
EBIT	-14.0	8.5	-265%	125.5	76.4	64%
Net profit	-40.6	10.6	-483%	100.7	51.4	96%
Gross margin %	35.4	34.9	50 bp	56.6	58.7	-210 bp
EBITDA margin%	5.0	6.6	-160 bp	28.1	19.3	880 bp
EBIT margin %	-0.5	0.3	-80 bp	20.7	12.5	820 bp
Net margin %	-1.4	0.4	-180 bp	16.6	8.4	820 bp

Podravka Group Balance sheet (summary)

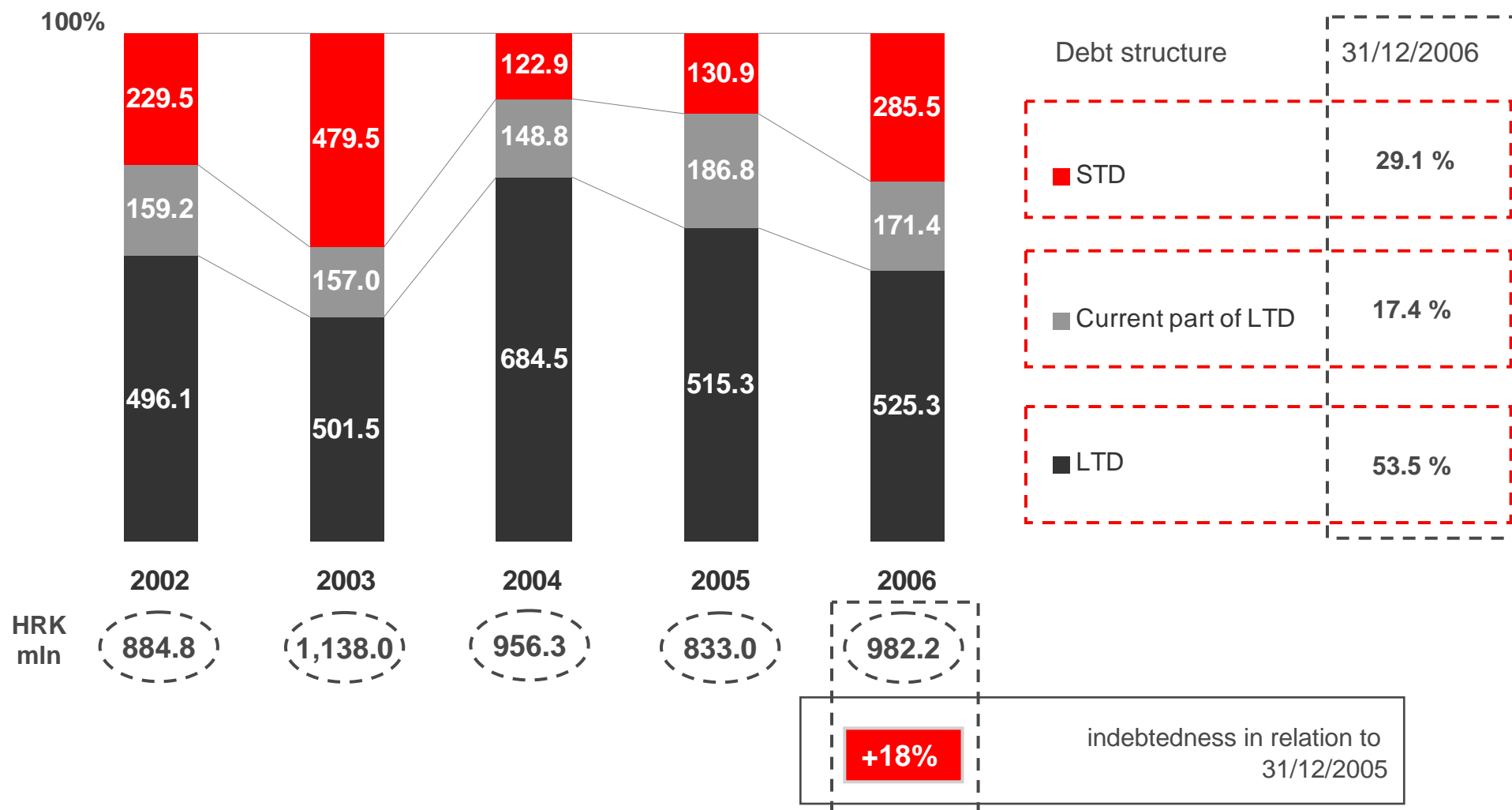
PODRAVKA GROUP HRK MLN	31/12/2006	31/12/2005
Cash	126.1	126.2
Inventory	564.5	569.1
Total Current Assets	1,943.1	1,619.5
Total Assets	3,700.5	3,412.8
Long term debt	525.3	515.4
Short term debt	456.9	317.6
Shareholders' Equity	1,746.7	1,921.2
Total Liabilities	3,700.5	3,412.8

	31/12/ 2006	31/12 2005
D/E	56.2%	43.4%
Net debt	856.1	706.8
Senior net Debt/EBITDA	2.6	2.3
Interest coverage	2.6	2.2
Quick ratio	1.0	1.1
Current ratio	1.4	1.7
Cash ratio	0.1	0.2
ROE	3.5%	3.3%
ROA	1.6%	1.8%

Podravka Group indebtedness movement

Indebtedness movement and debt structure

2002 - 2006



Debt refinancing

PODR-O-072A

“existing bond”

Issued: 20/02/2004
Maturity: 5 years
Amount: EUR 27 mln
Yield: 5.00%

99.6% of the “existing bond”
issued bought off

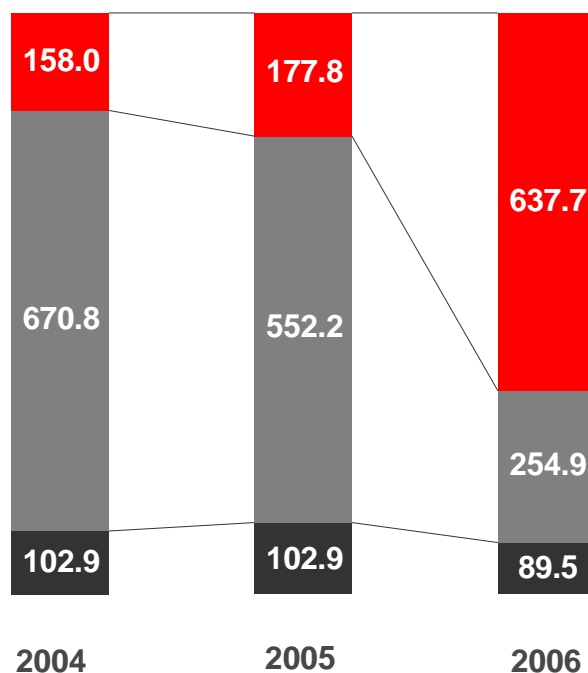
PODR-O-115A

“new bond”

Issued: 18/05/2006
Maturity: 5 years
Amount: HRK 375 mln
Yield: 5.125%

Debt refinancing changes currency exposure to received credits

100%



Debt
structure by
currency
31/12/2006

06/05

■ HRK	65%	+259%
■ EUR	26%	-54%
■ other	9%	-13%



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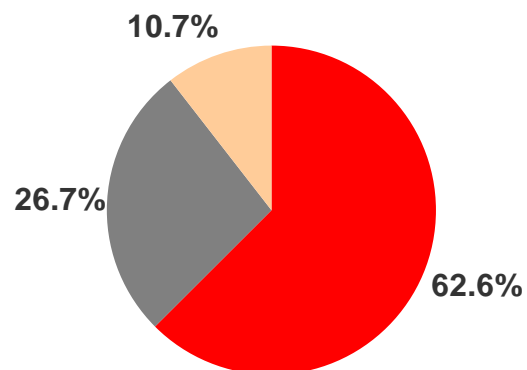
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Costs

Structure of operating expenses

2005

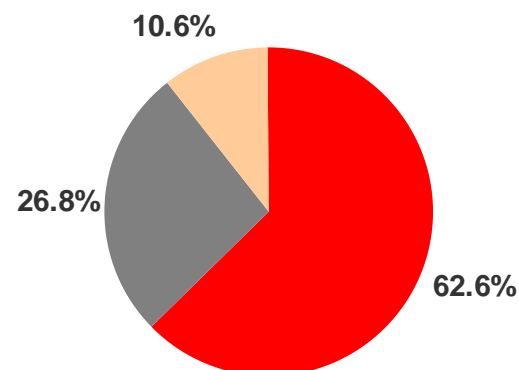
HRK 3,363.1 mln



2006

HRK 3,381.5 mln

operating expenses

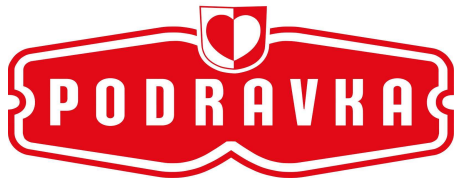


	in relation to 2005	share in sales 2006	change
COGS	+1%	61.0%	-20 bp
S&D costs	+1%	26.1%	0 bp
G&A costs	0%	10.4%	0 bp
Total	+1%	97.5%	-20 bp

Advertising and promotion costs

+ 9%

Fokus on Podravka's strongest brands



Higher investment
into marketing
activities

Marketing efficiency
tracking

Advancement and
investment into
research and
development

Complexity
management



**Stronger organic growth
Better profitability**

Marketing activities in 2006



Za tijelo i duh!
PRVA HRVATSKA IZVORSKA VODA

SAMO ZA PRAVE KOLEKCIONARE
NOVO AKCIJSKO PAKOVANJE
PO SPECIJALNOJ PROMOTIVNOJ CENI



Dok pročitaš najnovije vijesti
RUČAK JE GOTOV!



Kada želiš nešto brzo i kuhano
Podravka gotova jela najukusniji su izbor. Jednostavna su za pripremu i gotova u trenu.
Pripremi ih brzo i uživaj polako.



Gripa

Lupocet Flu briše simptome gripe i prehlade!

LUPOCET Flu su nove šumeće tablete iz Belupo. Ugodnog su okusa i snažno djeluju na simptome gripe i prehlade. Ublažavaju bolove, snižavaju povišenu tjelesnu temperaturu, uklanjaju začepjenost nosa i sinusa, kašalj, kihanje i suženje očiju te nadoknađuju manjak vitamina C. Lupocet Flu tablete blago djeluju na želudac, a mogu ih koristiti i srčani bolesnici, osobe s povišenim tlakom, dijabetosom i astmom.

Lupocet Flu - Za one koji nemaju vremena biti bolesni.

BELUPO HRVATSKA KVALITETA ZA EUROPSKU BUDUĆNOST
www.belupo.hr, besplatni info telefon: 0800-20-30-40, bezreceptni@belupo.hr



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Mršaviše prirodno i učinkovito uz Fit Lax.

Fit Lax, biljni preparat za normalizaciju tjelesne težine, odmah nakon konzumacije daje osjećaj sitosti i pritom regulira probavu na prirodan način. Fit Lax je i jedino sredstvo za mršavljenje dozvoljeno za trudnice i dojilje.

HRVATSKA KVALITETA ZA EUROPSKU BUDUĆNOST





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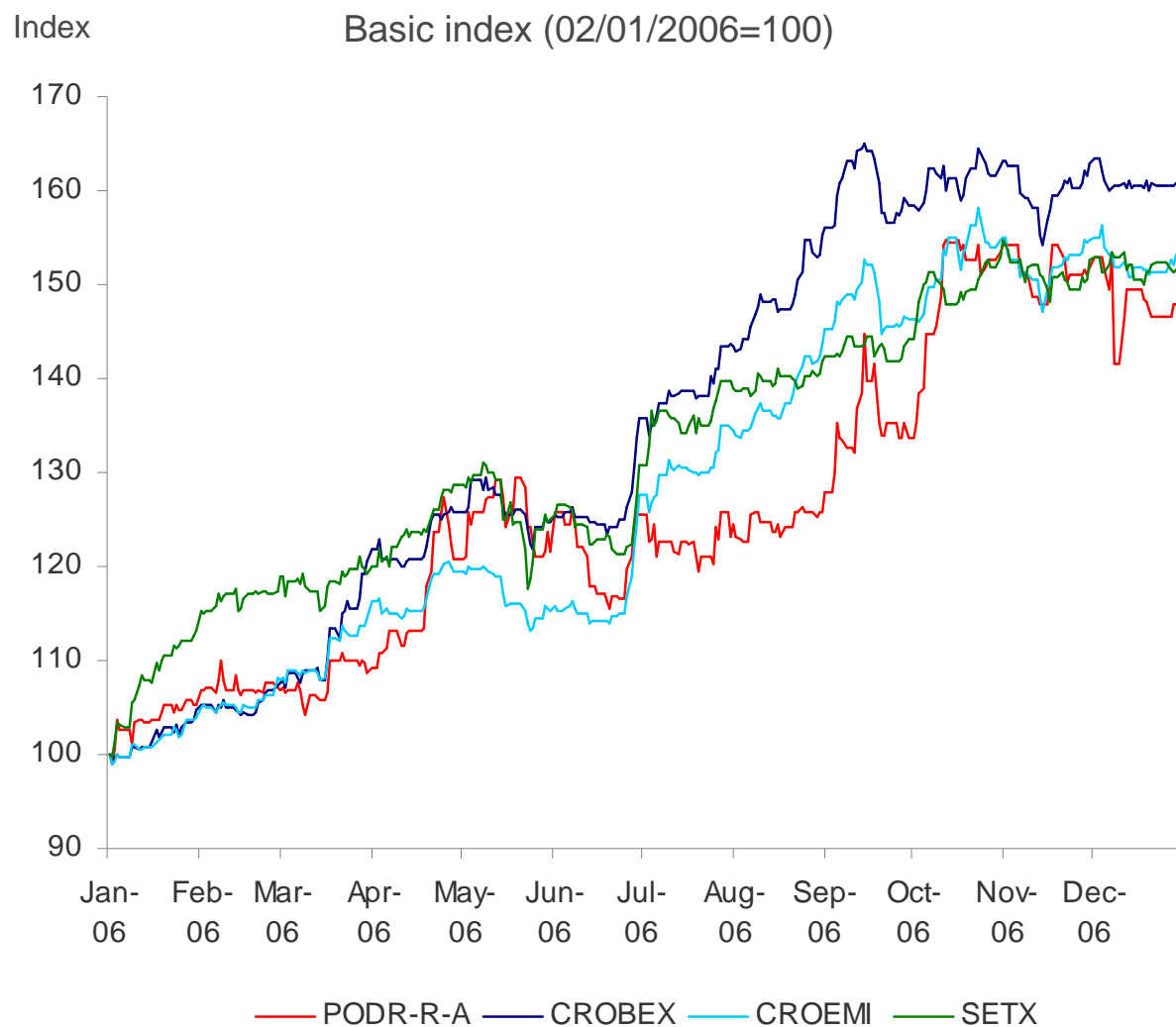
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Information for shareholders

Comparative indices movement in 2006

Comparative indices movement and PODR-R-A



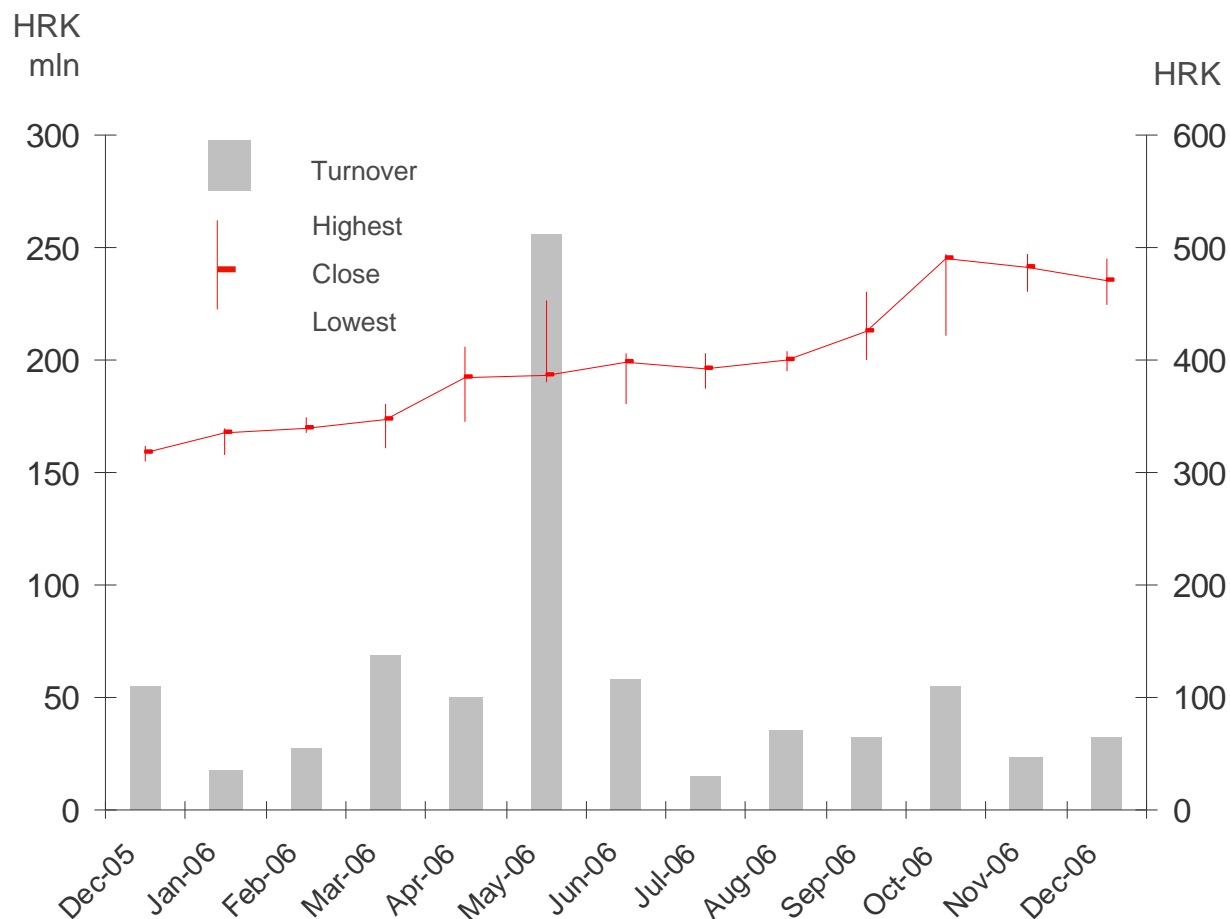
INDEX WEIGHT

SETX	(31/12/2006)	2.8%
CROBEX	(31/12/2006)	6.7%
CROEMI	(31/12/2006)	12.6%

RECOMMENDATIONS

ERSTE	ACCUMULATE
FIMA	HOLD
HAAB	HOLD
RBA	HOLD

Share price and turnover


31/12/2006

Close price (HRK) **470.01**

Market cap. (HRK mln) **2,547.5**

12 month max / min (HRK) **495 / 315.01**

12 month turnover (HRK mln) **671.8**

Average daily turnover (HRK mln) **2.69**

Free float (%) **73**

INDICATORS

	2006	2005
EPS	11,2	11,7
P/E	41,8	27,1
BVPS	322,3	354,5
P/B	1,5	0,9
P/S	0,7	0,5

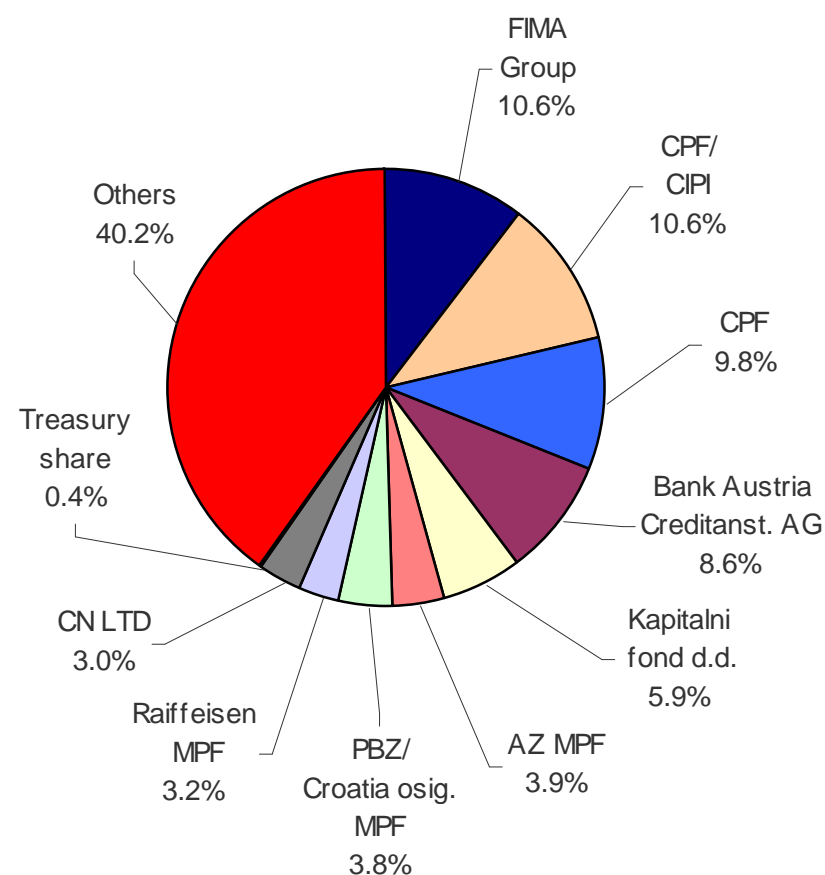
WACP
2005
HRK 296.69
2006
HRK 399.69
change
+35%

Shareholders structure on 31/12/2006

SHAREHOLDERS	No. of shares	Weight
FIMA GROUP d.d.	576,880	10.64%
CPF/CIPI	575,598	10.62%
CPF	532,808	9.83%
BANK AUSTRIA CREDIT.	465,849	8.60%
KAITALNI FOND	321,804	5.94%
AZ MPF	209,231	3.86%
PBZ CROATIA OSIG. MPF	205,090	3.78%
RAIFFEISEN BANK MPF	172,114	3.18%
CN LTD	162,165	3.00%
TREASURY SHARES	19,689	0.36%
OTHERS	2,178,775	40.19%
TOTAL	5,420,003	100.00%

CPF Croatian Privatization Fund
CIPI Croatian Institute for Pension Insurance
MPF Mandatory Pension Fund

- ▶ Top 10 shareholders 62%
- ▶ others legal and natural persons 38%





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