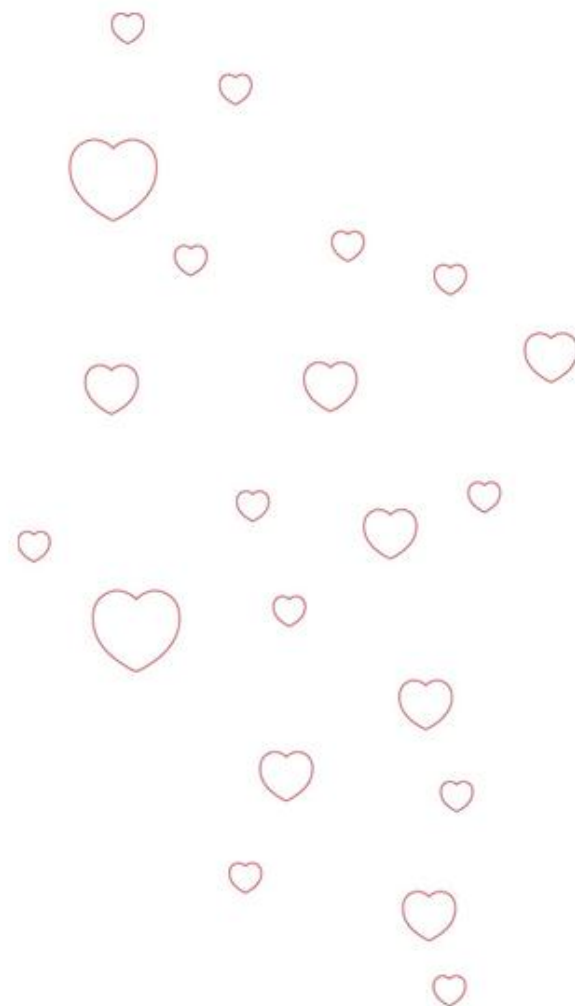


Podravka Group

Erste Group Investor Conference

3 - 7 October 2011, Stegersbach



Content

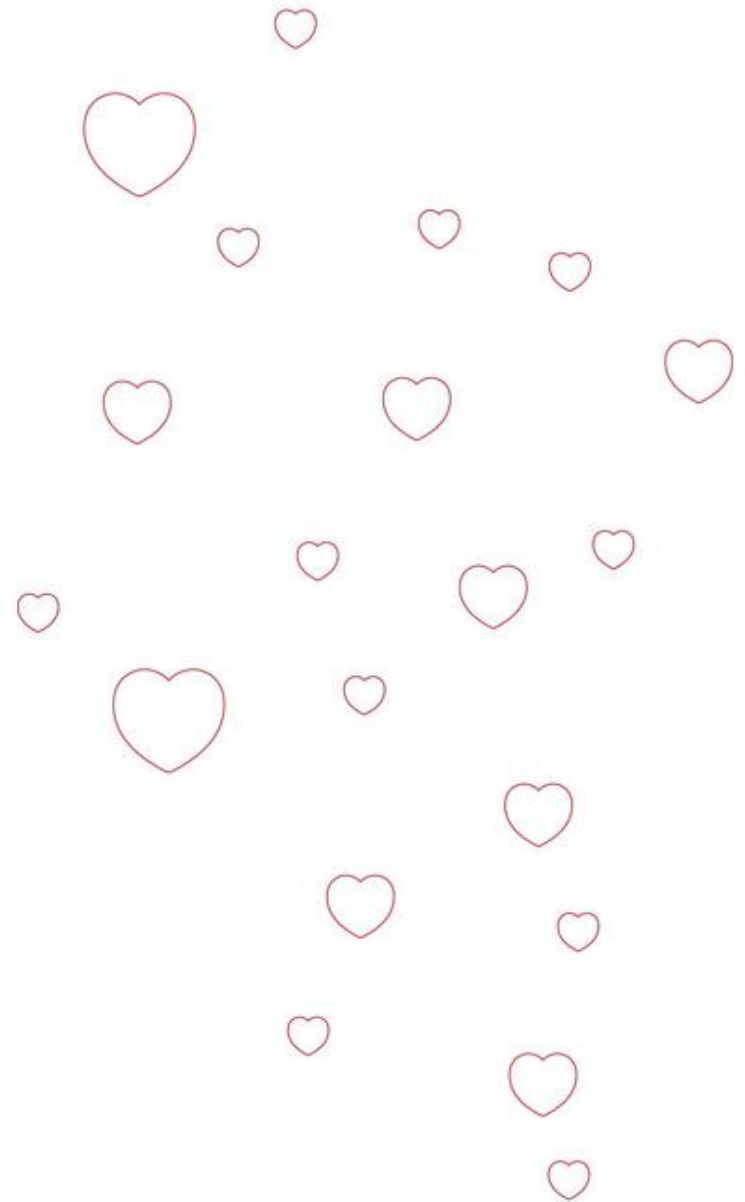
Overview

Sales

Business results

Share performance

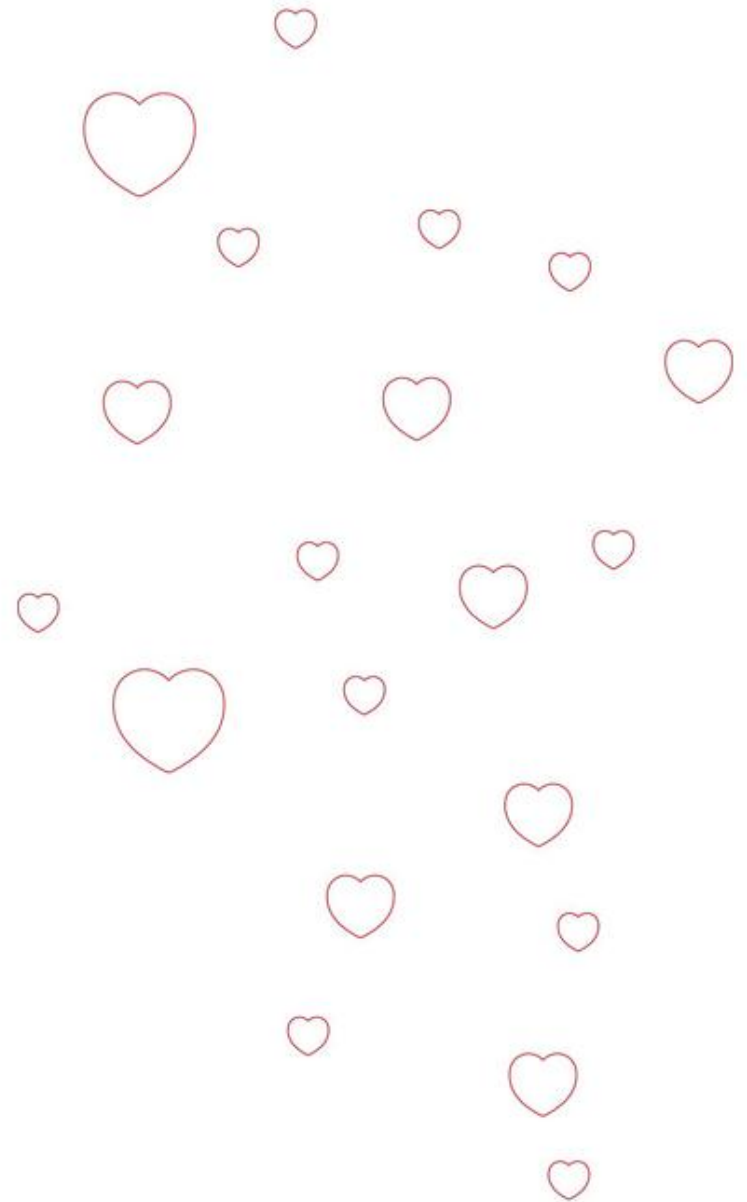
Guidelines for 2011



Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Podravka Group. These forward-looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Overview



Overview

One of the largest branded food companies in the region

- large brand portfolio with strong international and regional brands

Podravka in Croatia

- very strong position in Croatia where it is one of the best-known branded food producer
- the second pharmaceutical company per MS

Production facilities

- mostly in Croatia (food, beverages and drugs)
- Czech Republic, Poland (food), Bosnia & Herzegovina (drugs)

Strong distribution network

- covering key emerging markets
- distribution agreements with Unilever

6,531 employees



Strategic Business Areas (SBA)

STRATEGIC BUSINESS AREA

Food and beverages

BUSINESS PROGRAM

Podravka Food

- Baby food
- Cream spreads
- Breakfast cereals
- Salty snacks
- Sweet products
- Fish & fishery products
- Fruit & vegetable products
- Mill & bakery products
- Side dishes

Dishes & food seasonings

- Universal seasonings
- Special seasonings
- Mix products
- Cooking aids
- Podravka dishes (soups, half-ready meals)

Meat

- Canned meat
- Fresh meat
- Frozen shaped meat
- Sauces
- Sausage products
- Paté

Beverages

- Mineral water
- Spring water
- Ice tea
- Juice
- Syrup
- Instant beverage
- Tea

Pharmaceuticals

RX

- Alimentary tract & metabolism
- Blood & blood forming organs
- Cardiovascular system
- Dermatologicals
- Genito urinary system & sex hormones
- General antiinfectives for systemic use
- Musculo – skeletal system
- Nervous system
- Antiparasitic products
- Respiratory system

OTC

- OTC drugs
- Food supplement
- Herbal products

Pharmacies



SBA Food and Beverages

- Combination of international, regional and local brands

INTERNATIONAL



UNIVERSAL SEASONINGS
SPECIAL SEASONINGS



SOUPS, BOUILLONS, SAUCES,
HALF-READY DISHES,
PROCESSED FRUIT AND
VEGETABLE PRODUCTS,
CONDIMENTS, TEA, MEAT
PRODUCTS, BAKERY
PRODUCTS, FROZEN PRODUCTS

REGIONAL



BABY FOOD



CANNED FISH



BAKING AIDS, PUDDINGS,
WHIPPED CREAMS, CAKE
AND CREAM MIXES

OTHER MAIN BRANDS

studena. Studenac



Talianetta

fant

WARZYWKO



belsad

čokolešnik



SBA Pharmaceuticals

- growth through new generic products
- strong position in Croatia with increasing international sales



BELUPO

NEOFEN[®]
forte

tablete
BELODIN[®]
loratadin

AMINFLUORID[®]

LUPOCET[®]
paracetamol

HERPLEX[®]

FLOCETA[®]

BELOSEPT[®]
hoksetidin

BEVITAL[®]

LUBORETA[®]
piraxicamum

FARMAVITA

Strong track record in innovations and product development

- new products in 2011



Natur soups have a rich vegetable taste and natural colour and contain no flavour enhancers, colorants or aromas. The following soups are included in the Natur soup product range: Natur soup with semolina balls, Natur vegetable soup with noodles, Natur cream mushroom soup and Natur cream broccoli and cauliflower soup.



Pasta Podravka stands for high quality, excellent taste and a distinctive, slightly golden color. The following products are included in the Pasta Podravka product range: Chifferi, Spaghetti, Fussili, Farfalle and Penne.



Podravka ready-to-serve canned meals are ready in no time and are the perfect choice for a quick and light lunch or dinner. A novelty in the product range of Podravka ready-to-serve canned meals are four new products: Beef with mushrooms, Chicken stew, Chicken in salsa, Chicken in bechamel sauce.



Vegeta Mediterranean herb mix is a supplement that gives food a characteristic taste of Mediterranean herbs and spices (oregano, basil, rosemary, marjoram, thyme, bay leaf). Vegeta Mediterranean mix contains no artificial flavours and enhancers.

Strong track record in innovations and product development

- new products in 2011



Lino Mix&Play choco'n'muesli, Lino Mix&Play apple'n'cookie and Lino Mix&Play choco'n'nut are new cereals under the Lino brand characterized by quick and easy preparation. The products are a delicious mix of flakes and supplements such as corn flakes, muesli, bits of fruit and chocolate that provide a tasty delight and are a source of additional energy.



Lino lada nougat is new cream spread with hazelnuts and chocolate. Apart from being very tasty, Lino lada nougat is rich in vitamins and minerals. Hazelnuts are a natural source of minerals and vitamin E, while our body needs calcium coming from milk to build bones and teeth.

Awards in 2011

Trusted Brand Croatia

For the third time Lino baby food receives the Trusted Brand Award, which is being awarded by the Reader's Digest magazine, based on the assessments of their readers..



Superior Taste Award

Prestigious testing „Superior Taste Award 2011" resulted in Podravka's spring water Studena receiving a credible verification of its supreme taste and quality, and three star grade.



TOVAR GODA 2010

In Latvia and Lithuania Vegeta was awarded with the "TOVAR GODA 2010" (Product of the Year 2010), which has confirmed Podravka's leading position on the markets of the Baltic region.



Best Buy Award

Podravka was ranked first in the categories of "canned vegetable", "canned fruit" and "side dishes". Due to the results of this Best Buy Award research and the leading position in the stated categories, Podravka got the opportunity to put the "Best Buy Award" label on its canned products.

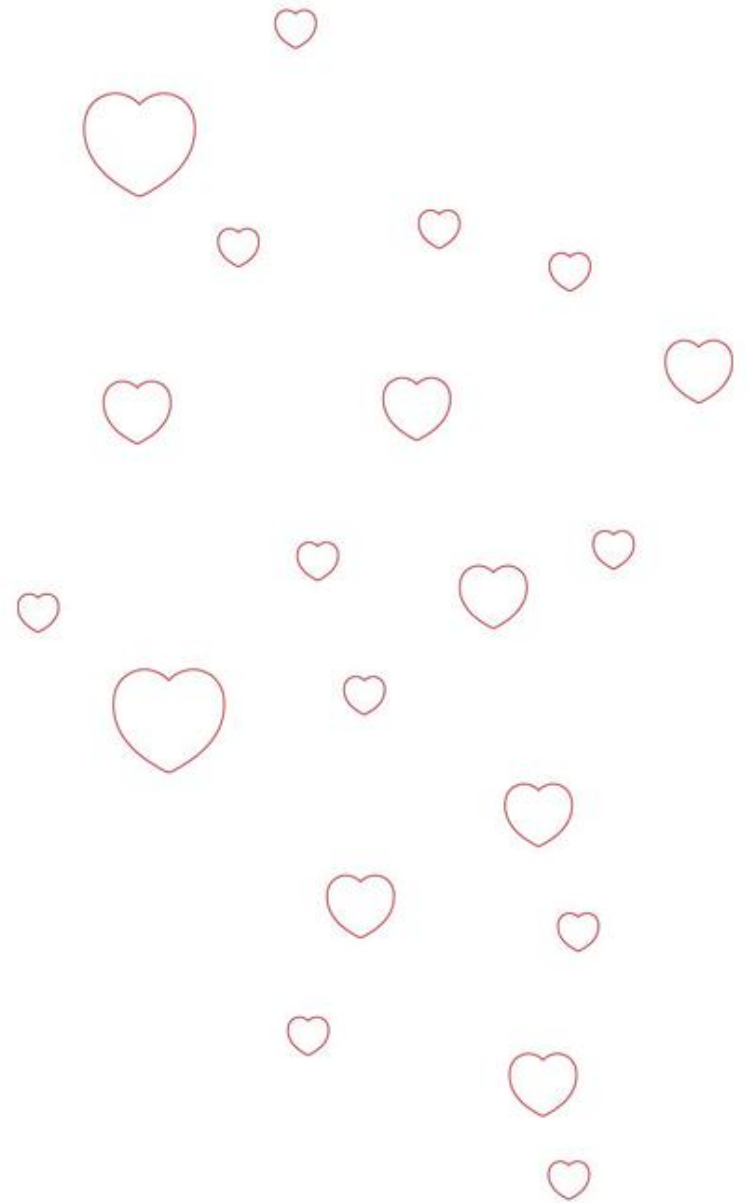


Podravka Chicken soup – the tastiest and the best selling soup in Russia

Podravka's Chicken noodle soup has been proclaimed the best soup in the market of Russia, according to an independent research by the most viewed TV channel Perviy Kanal.



Sales



Sales of the Podravka Group

Sales on domestic and foreign markets

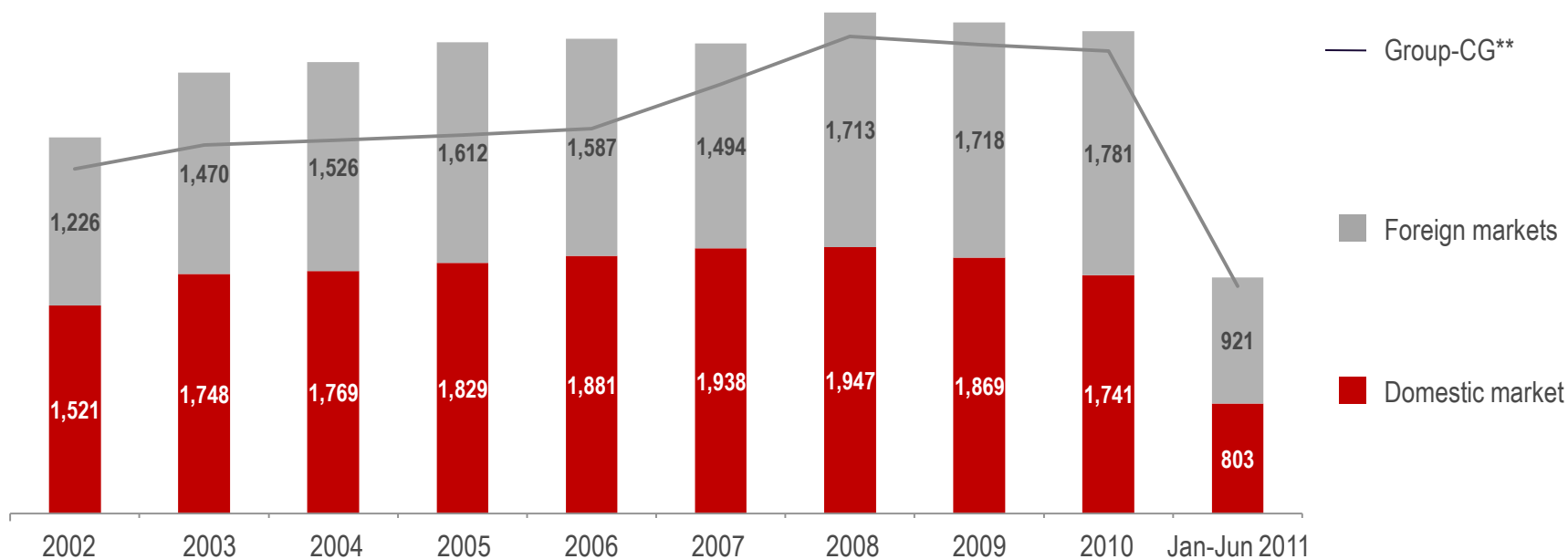
2002 – June 2011

HRK mn

CAGR*
2002 – 2010

2,747 3,218 3,295 3,441 3,468 3,432 3,660 3,587 3,522 1,724  Total Grupa

3.2%



3.7%

4.8%

1.7%

*Compound Annual Growth Rate

**Group-CG Group without commercial goods

Sales structure per strategic business areas (SBA)

Podravka Group Jan-Jun 2011

Sales of Podravka Group HRK 1,724.2 mn

Change +4%

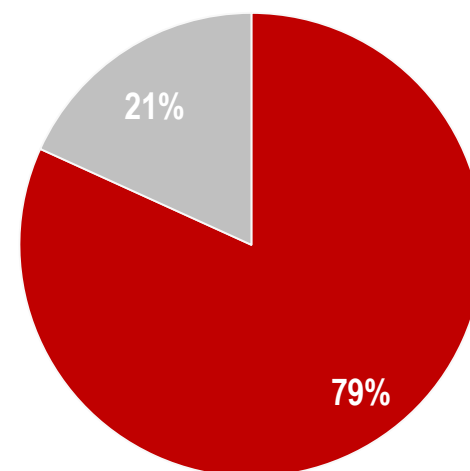
Food and beverages HRK 1,369.1 mn

Change +4%

Pharmaceuticals HRK 355.1 mn

Change +2%

Sales structure by SBA for Jan-Jun 2011



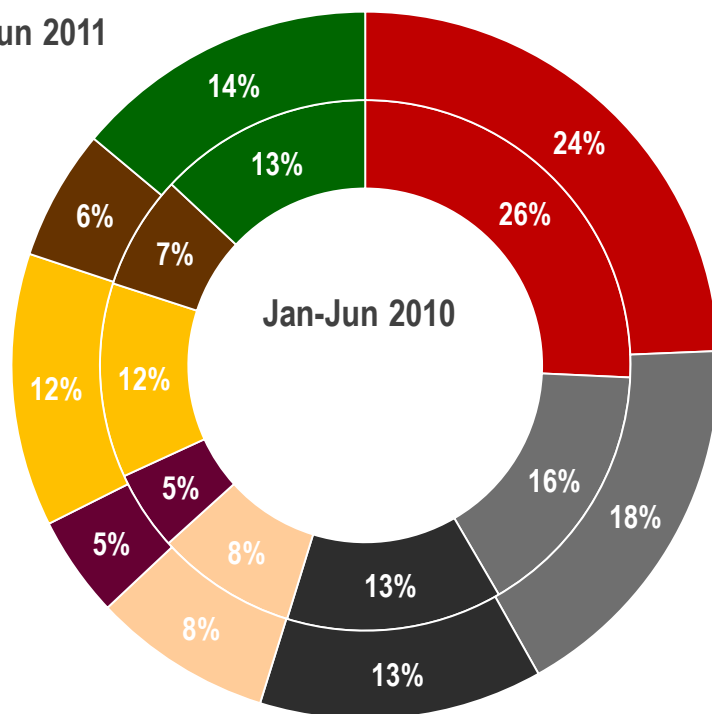
■ Food & beverages

■ Pharmaceuticals

SBA Food & Beverages

Sales structure of SBA Food & Beverages per product group

Jan-Jun 2011



change
Jan-Jun 2011 / Jan-Jun 2010

Food seasonings	-2%
Fruit and vegetable products, side dishes and other	+15%
Baby food, sweets and snack	+2%
Podravka dishes	0%
Fish and fishery products	-1%
Meat products	+10%
Beverages	-11%
Other	+11%

Sales of SBA Food & Beverages in Jan-Jun 2010

HRK 1,315.8 mn

Sales of SBA Food & Beverages in Jan-Jun 2011

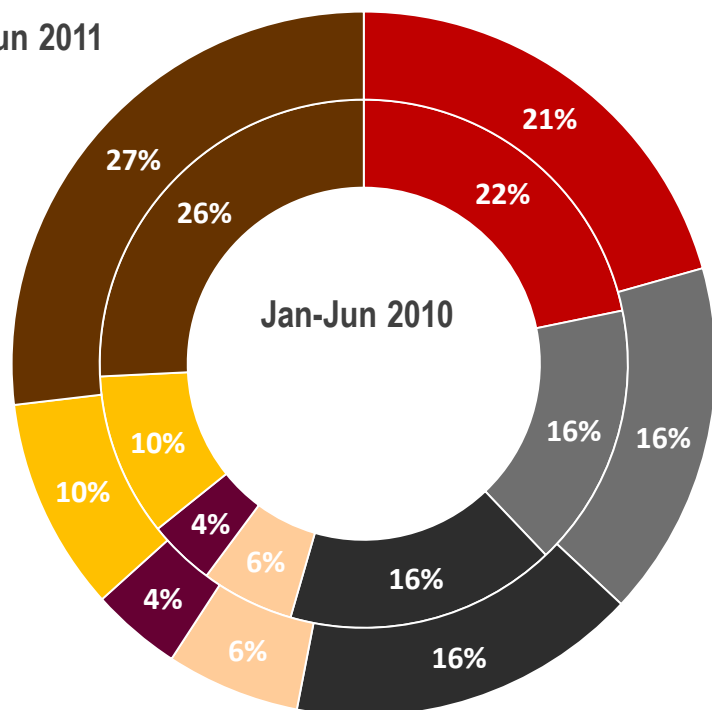
HRK 1,369.1 mn

+4%

SBA Pharmaceuticals

Sales structure of SBA Pharmaceuticals according ATK classification

Jan-Jun 2011



change
Jan-Jun 2011 / Jan-Jun 2010

■ Blood & Blood forming organs, Heart & Cardiovascular system	-3%
■ Musculoskeletal & Nervous system	+4%
■ Dermatologicals	-1%
■ General anti-infectives & Antiparasitic Medicines	+11%
■ Respiratory, Digestive & Genitourinary system	+4%
■ OTC	0%
■ Other (Farmavita, Pharmacies, other)	+7%

Sales of SBA Pharmaceuticals in Jan-Jun 2010

HRK 346.9 mn

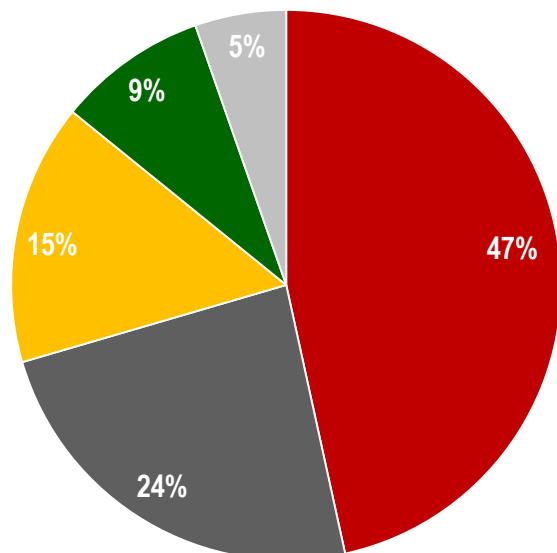
Sales of SBA Pharmaceuticals in Jan-Jun 2011

HRK 355.1 mn

+2%

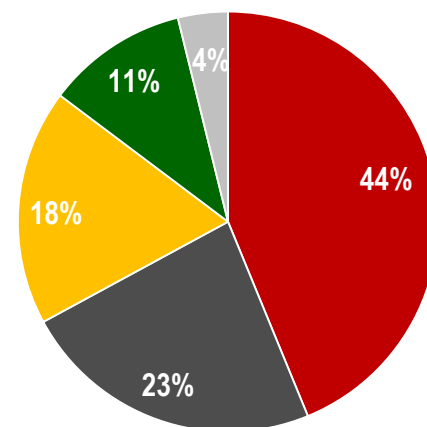
Sales structure per markets for Jan – Jun 2011

Sales structure of Podravka Group per markets

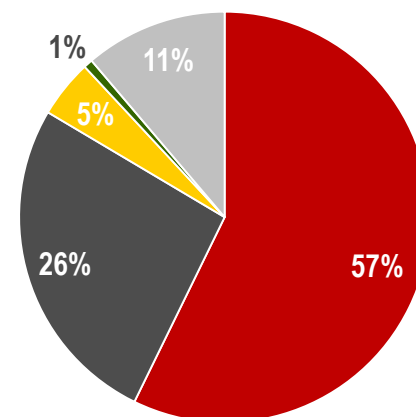


- Croatia
- South-East Europe (Albania, Bosnia and Herzegovina, Montenegro, Kosovo, Macedonia, Slovenia, Serbia)
- Central Europe (Czech Republic, Hungary, Poland, Slovakia)
- Western Europe, overseas countries & the Orient (Austria, Australia, Benelux, France, Canada, Germany, Great Britain, Scandinavia, Switzerland, Turkey, USA, other countries)
- Eastern Europe (Bulgaria, Pribaltic, Romania, Russia, Ukraine, other countries of EE)

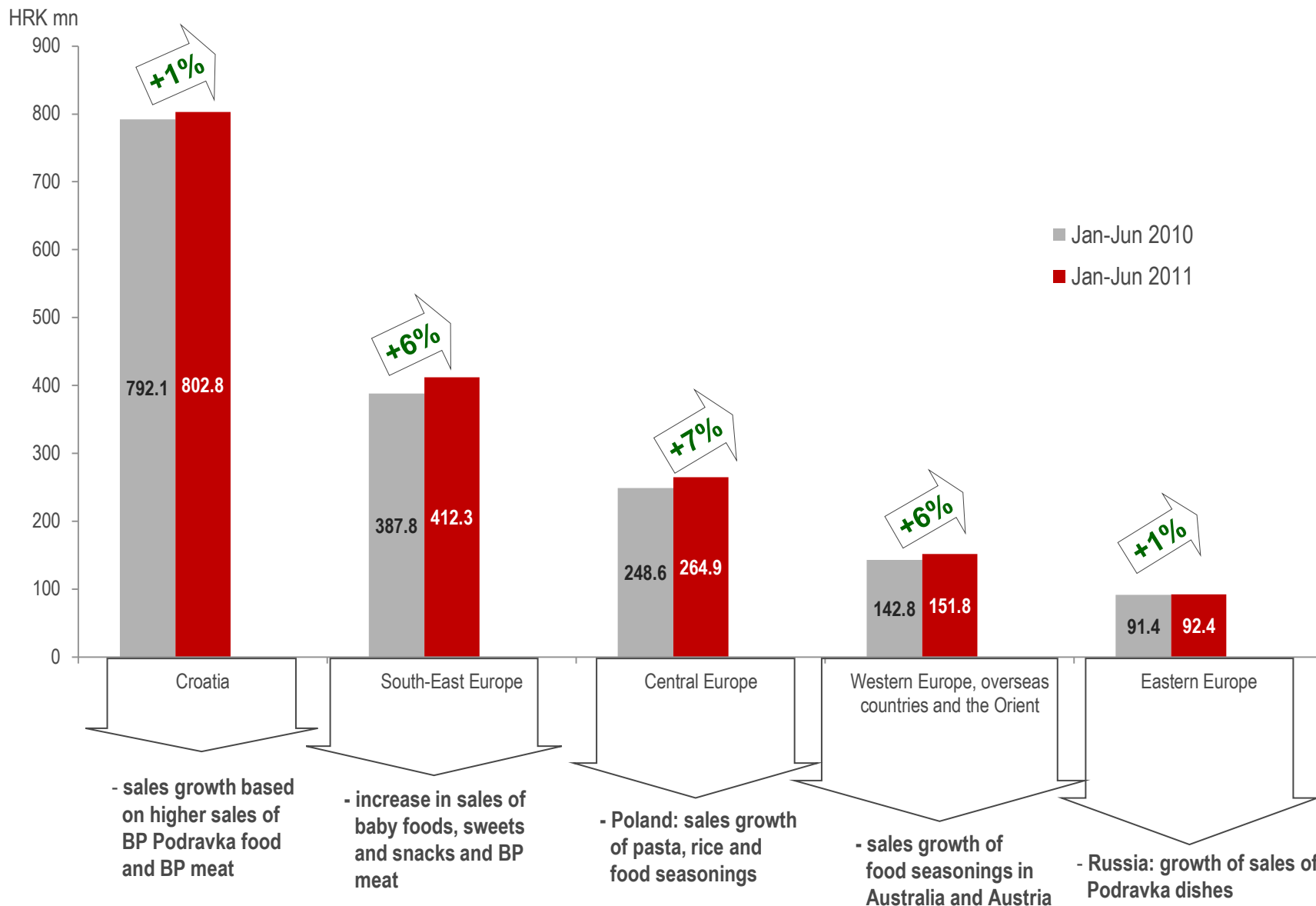
Sales structure of SBA F&B per markets



Sales structure of SBA Pharmaceuticals per markets



Sales of Podravka Group per markets



Croatian market

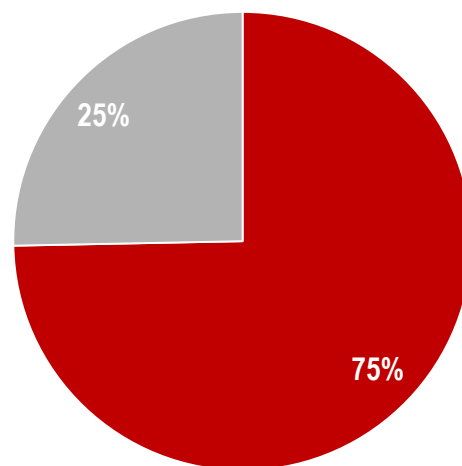
Market characteristics

total sales HRK 802.8 mn

increase of total sales +1%

increase of Podravka brands +1%

Sales per SBA



■ Food & beverages

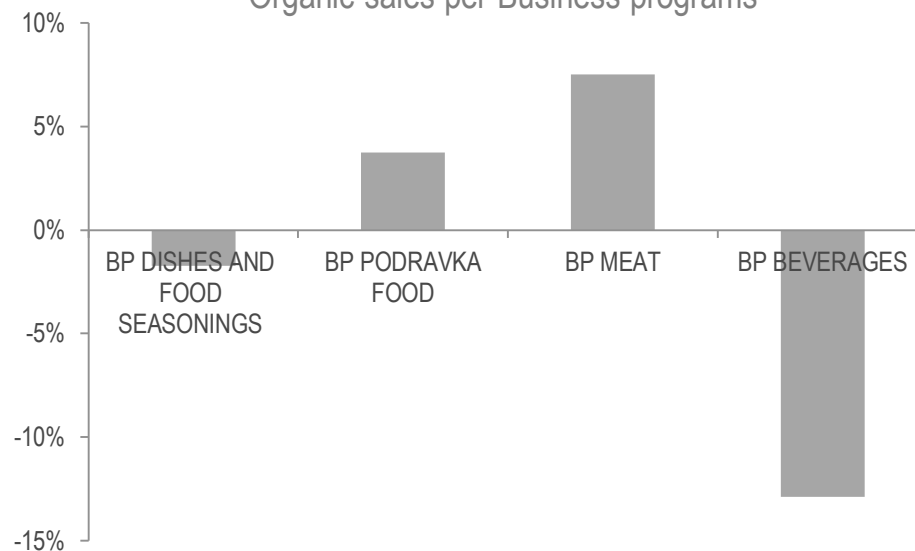
■ Pharmaceuticals

change

+3%

-2%

Organic sales per Business programs



South-East Europe market

Market characteristics

total sales HRK 412.3 mn

increase of total sales **+6%**

sales increase of Podravka brands **+5%**

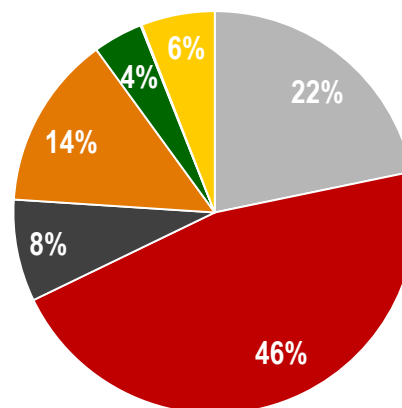
sales increase of Baby food, sweets and snacks

sales increase of BP meat, especially pâté

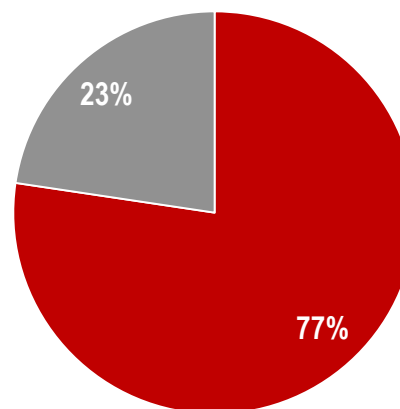
B&H: growth in sales of BP meat and BP Podravka food

Serbia: sales growth of BP Podravka food and BP dishes and food seasonings

Sales per countries



Sales per SBA



change

Slovenia	+6%
B&H	+6%
Macedonia	+9%
Serbia	+12%
Kosovo	+4%
Montenegro	0%

Food & beverages	+5%
Pharmaceuticals	+10%

SEE: Albania, Bosnia and Herzegovina, Montenegro, Kosovo, Macedonia, Slovenia, Serbia

Central Europe market

Market characteristics

total sales HRK 264.9 mn

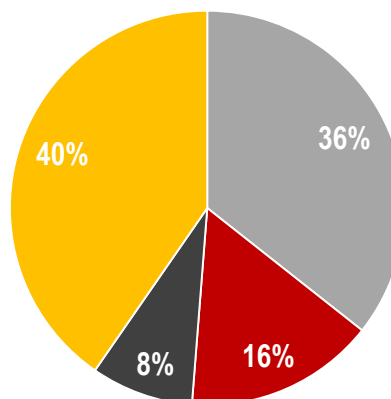
total sales growth **+7%**

sales growth of Podravka brands **+6%**

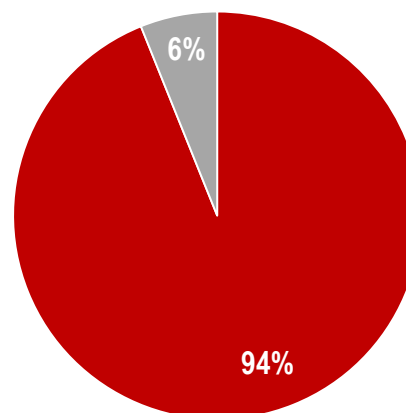
Poland: sales increase of side dishes

Czech Republic: sales increase of side dishes

Sales per countries



Sales per SBA



change

■ Czech Republic	+17%
■ Slovakia	-19%
■ Hungary	+9%
■ Poland	+11%

■ Food & beverages	+7%
■ Pharmaceuticals	+6%

Western Europe, Overseas countries & the Orient

Market characteristics

total sales HRK 151.8 mn

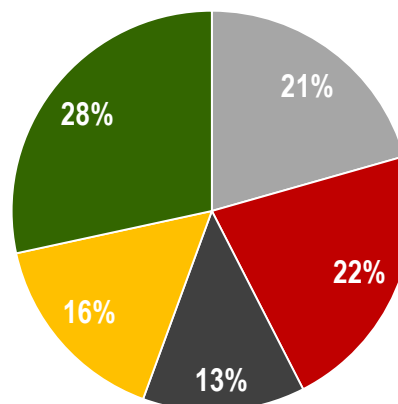
total sales growth **+6%**

Australia: sales growth of food seasoning

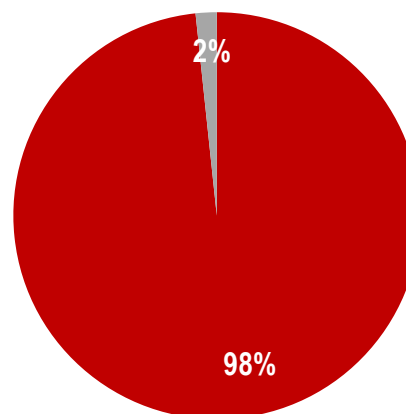
Canada: sales growth of food seasonings

Austria: growth in sales of food seasoning

Sales per countries



Sales per SBA



change

Germany	-4%
Australia	+12%
USA	+3%
Austria	+49%
Other countries	-4%

Food & beverages	+5%
Pharmaceuticals	+164%

WE, OC & the Orient: Austria, Australia, Benelux, France, Canada, Germany, Great Britain Scandinavia, Switzerland, Turkey, USA, other countries of WE

Eastern Europe market

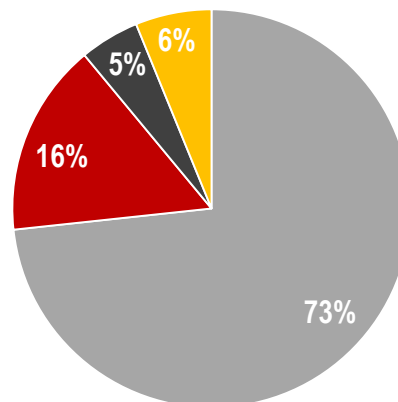
Market characteristics

total sales HRK 92.4 mn

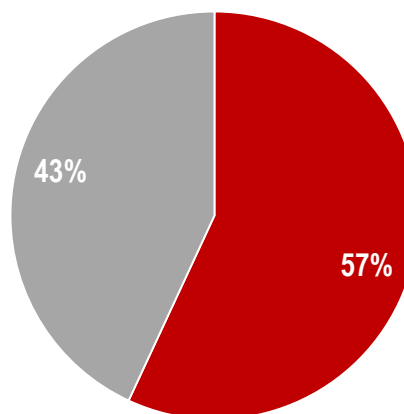
total sales growth +1%

Russia: sales growth of Podravka dishes

Sales per countries



Sales per SBA



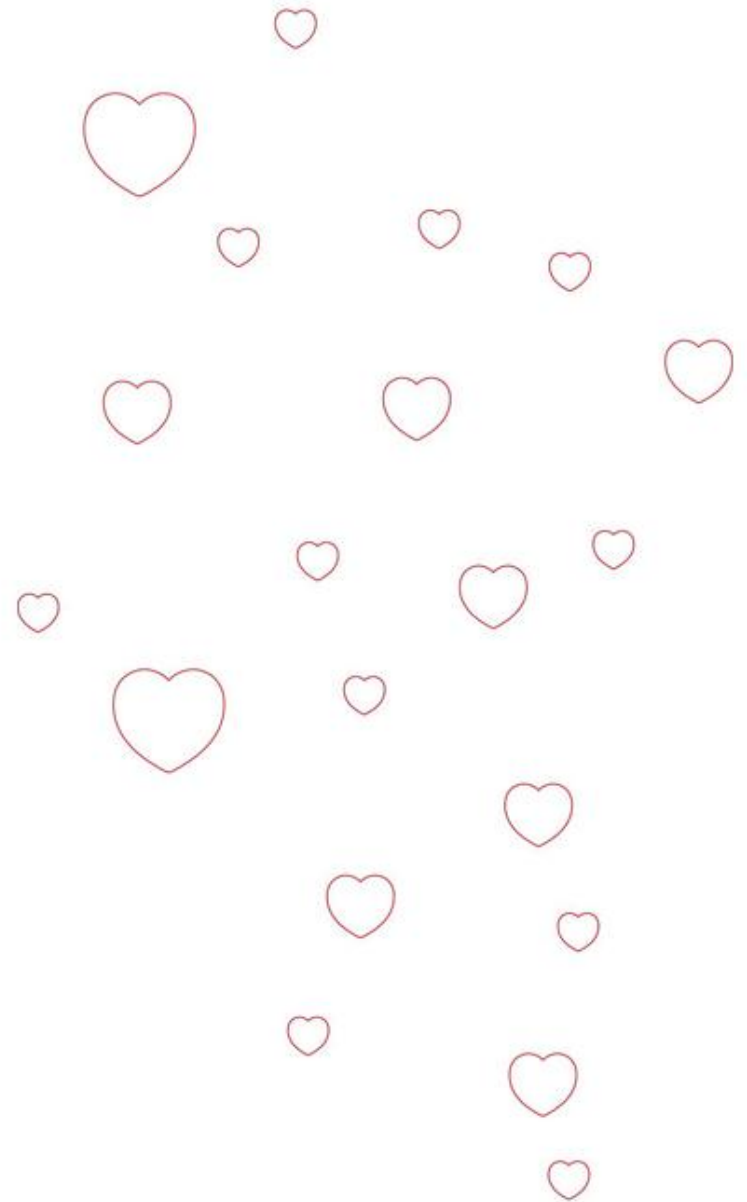
change

Russia	+6%
Romania	-13%
Pribaltic	-25%
Other countries	+19%

Food & beverages	-1%
Pharmaceuticals	+3%

EE: Pribaltic, Romania, Russia, Ukraine, other countries of EE

Business results



Podravka Group business results

HRK mn

PODRAVKA GROUP	REPORTED RESULTS		RESULTS CORRECTED FOR ONE-OFF ITEMS		change (reported results)	change (results corrected for one-off items)
	Jan-Jun 2011	Jan-Jun 2010	Jan-Jun 2011	Jan-Jun 2010	Jan-Jun 2011 / Jan-Jun 2010	Jan-Jun 2011 / Jan-Jun 2010
Sales	1,724.2	1,662.7	1,724.2	1,662.7	4%	4%
Gross profit	668.7	688.9	668.7	688.9	-3%	-3%
EBITDA	181.1	152.4	167.3	180.6	19%	-7%
EBIT	102.2	74.7	88.4	102.9	37%	-14%
Net profit	55.6	31.2	46.7	59.4	78%	-21%
<i>Profit margins %</i>						
Gross margin	38.8	41.4	38.8	41.4	-260bp	-260bp
EBITDA margin	10.5	9.2	9.7	10.9	130bp	-120bp
EBIT margin	5.9	4.5	5.1	6.2	140bp	-110bp
Net margin	3.2	1.9	2.7	3.6	130bp	-90bp

Business results of SBA Food & Beverages

HRK mn

SBA FOOD & BEVERAGES	REPORTED RESULTS		RESULTS CORRECTED FOR ONE-OFF ITEMS		change (reported results)	change (results corrected for one-off items)
	Jan-Jun 2011	Jan-Jun 2010	Jan-Jun 2011	Jan-Jun 2010	Jan-Jun 2011 / Jan-Jun 2010	Jan-Jun 2011 / Jan-Jun 2010
Sales	1,369.1	1,315.8	1,369.1	1,315.8	4%	4%
Gross profit	481.9	500.2	481.9	500.2	-4%	-4%
EBITDA	97.0	87.3	106.8	113.5	11%	-6%
EBIT	40.3	31.1	50.1	57.4	30%	-13%
Net profit	15.9	7.1	25.7	33.4	124%	-23%
Profit margins %						
Gross margin	35.2	38.0	35.2	38.0	-280bp	-280bp
EBITDA margin	7.1	6.6	7.8	8.6	50bp	-80bp
EBIT margin	2.9	2.4	3.7	4.4	50bp	-70bp
Net margin	1.2	0.5	1.9	2.5	70bp	-60bp

Business results of SBA Pharmaceuticals

HRK mn

SBA PHARMACEUTICALS	REPORTED RESULTS		RESULTS CORRECTED FOR ONE-OFF ITEMS		change (reported results)	change (results corrected for one-off items)
	Jan-Jun 2011	Jan-Jun 2010	Jan-Jun 2011	Jan-Jun 2010	Jan-Jun 2011 / Jan-Jun 2010	Jan-Jun 2011 / Jan-Jun 2010
Sales	355.1	346.9	355.1	346.9	2%	2%
Gross profit	186.9	188.7	186.9	188.7	-1%	-1%
EBITDA	84.1	65.2	60.5	67.1	29%	-10%
EBIT	61.9	43.6	38.3	45.5	42%	-16%
Net profit	39.7	24.0	21.0	25.9	65%	-19%
Profit margins %						
Gross margin	52.6	54.4	52.6	54.4	-180bp	-180bp
EBITDA margin	23.7	18.8	17.0	19.3	490bp	-230bp
EBIT margin	17.4	12.6	10.8	13.1	480bp	-230bp
Net margin	11.2	6.9	5.9	7.5	430bp	-160bp

Podravka Group balance sheet (summary)

PODRAVKA GROUP HRK mn	30/06/2011	31/12/2010
Non-current assets	2,010.8	2,056.6
Current assets	1,958.6	1,951.6
<i>Inventories</i>	704.0	692.1
<i>Trade and other receivables</i>	1,106.2	1,083.5
<i>Cash and cash equivalents</i>	136.1	152.4
<i>Other current assets</i>	12.3	23.6
TOTAL ASSEST	3,969.5	4,008.2
Shareholders' equity*	1,654.0	1,600.5
Non-controlling interests	34.2	34.3
Non-current liabilities	1,006.2	596.1
<i>Long-term borrowings</i>	968.2	559.0
<i>Other non-current liabilities</i>	38.0	37.2
Current liabilities	1,275.1	1,777.2
<i>Trade and other payables</i>	820.7	800.6
<i>Financial liabilities at fair value through P&L</i>	-	371.1
<i>Short-term borrowings</i>	442.3	581.7
<i>Other current liabilities</i>	12.1	23.9
TOTAL EQUITY AND LIABILITIES	3,969.5	4,008.2

* attributable to the equity holders of the parent

DEBT RATIOS	30/6/ 2011	31/12/ 2010
Debt/ equity*	85%	94%
Debt / assets	36%	38%
Net debt	1,274.4	1,359.3
Senior net Debt**	3.1	3.2
Interest coverage**	2.2	3.1

LIQUIDITY RATIOS		
Cash ratio	0.1	0.1
Quick ratio	1.0	0.7
Current ratio	1.5	1.1

PROFITABILITY RATIOS**		
ROE**	8.4%	9.4%
ROA**	3.5%	3.8%

** ratios are calculated without one-off items

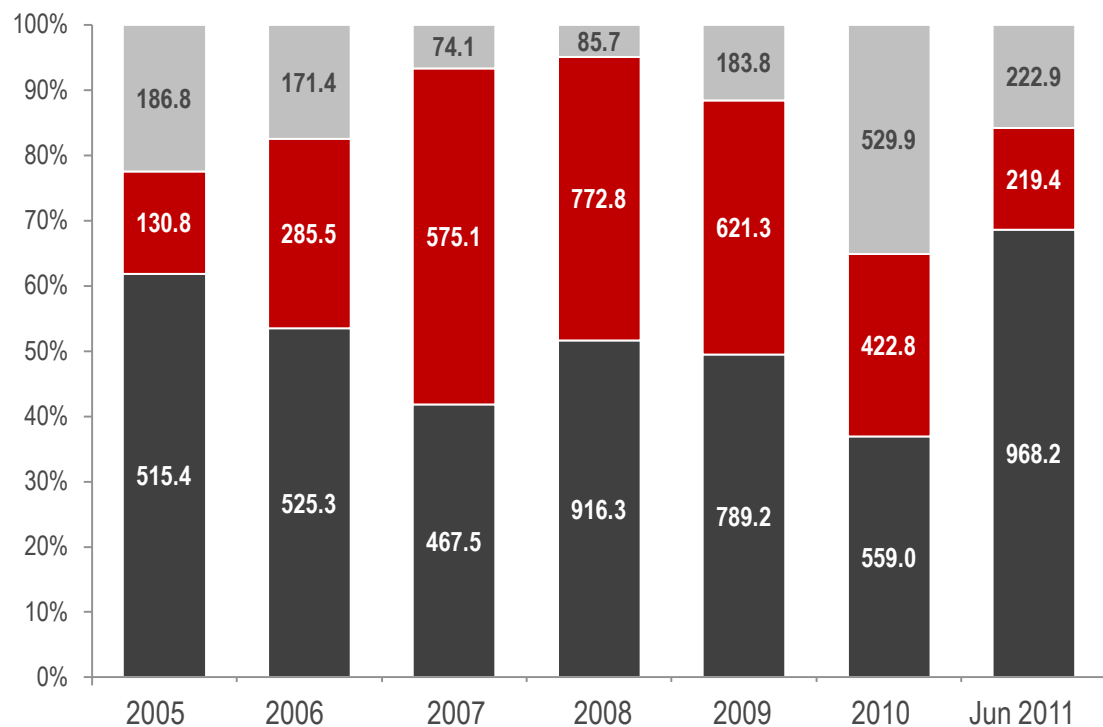
Podravka Group indebtedness movement

Indebtedness movement and debt structure

2005 – 30/06/2011

HRK mn

100%



Debt structure

30/06/2011

■	Current part of long term debt	16%
■	Short term debt	15%
■	Long term debt	69%

(833.0) (982.2) (1,116.7) (1,774.8) (1,594.3) (1,511.7) (1,410.5)

intebtedness in relation to
31/12/ 2010

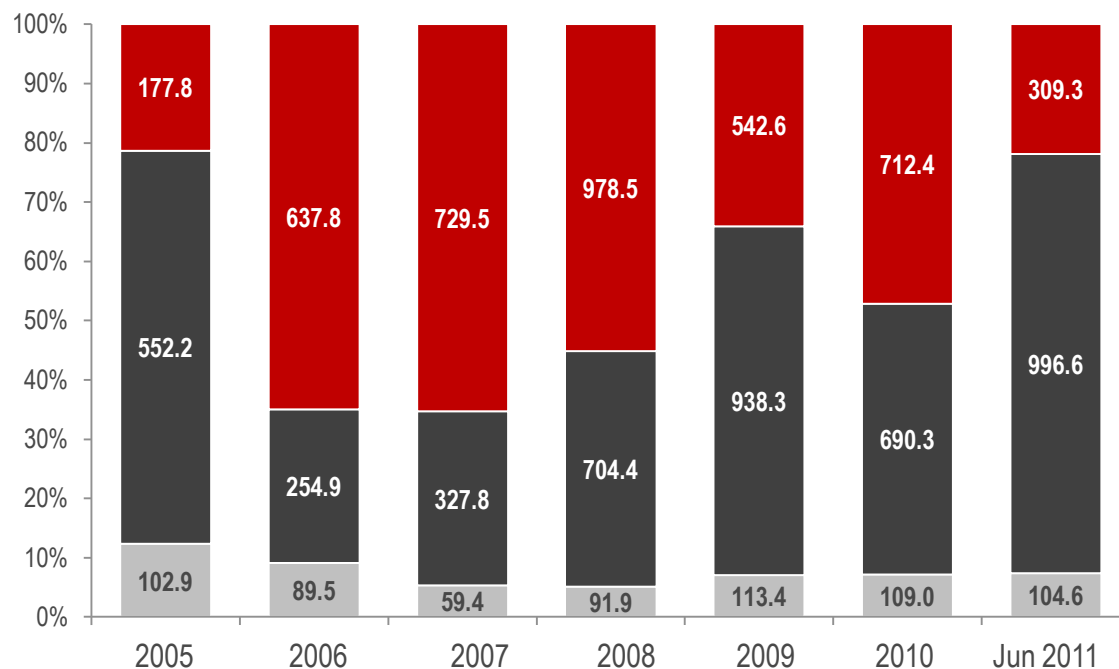
-6,7%

Currency structure of the Group's debt

Currency structure of the Group's debt

2005 – 30/06/2011

HRK mn



debt refinancing by new corporate bond denominated in HRK

first tranche of commercial notes

second tranche of commercial notes

	Debt structure per currency on 30/06/2011	2010 / 2009
■ HRK	22%	-57%
■ EUR	71%	+44%
■ other currencies	7%	-4%

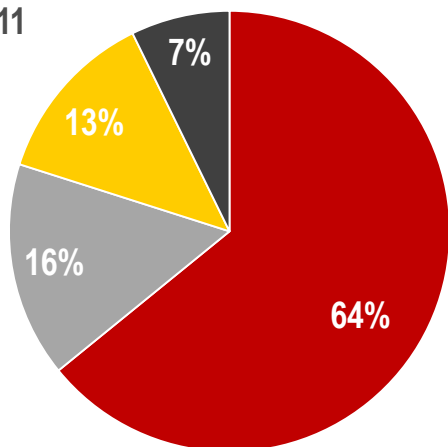
Structure of operating costs / expenses

HRK 1,645,9 mn

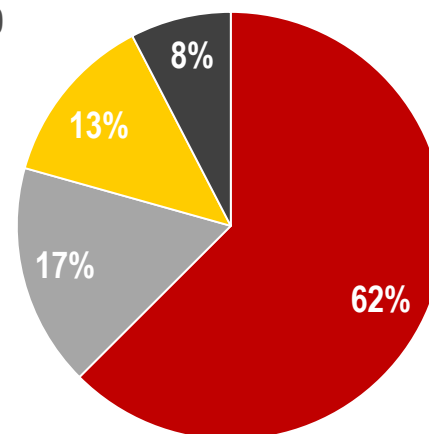
HRK 1,557.8 mn

OPERATING COSTS

Jan-Jun 2011

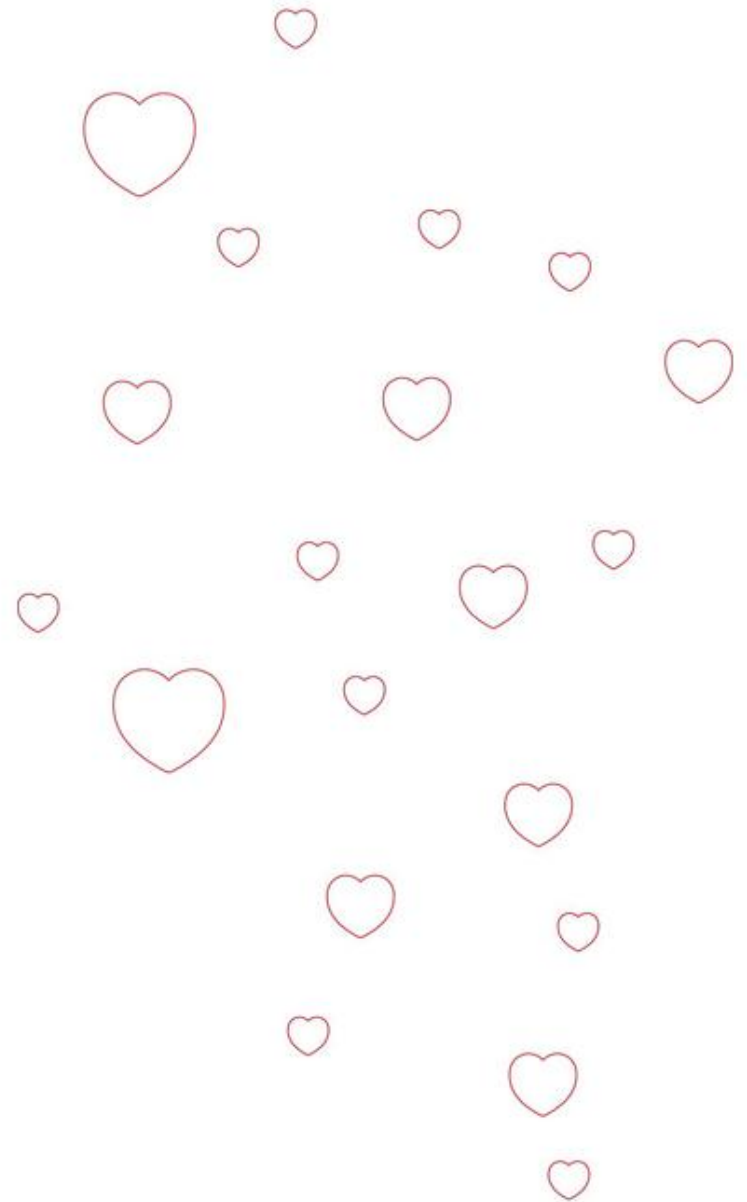


Jan-Jun 2010



	Jan-Jun 2011 / Jan-Jun 2010	% of sales 30/06/2011	% of sales 30/06/2010
■ Cost of goods sold	+8%	61%	← 59%
■ Selling & distribution costs	-1%	15%	← 16%
■ Marketing expenses	+4%	12%	← 12%
■ General & administrative expenses	+1%	7%	← 7%
■ ■ ■ ■ Total	+6%	95%	← 94%

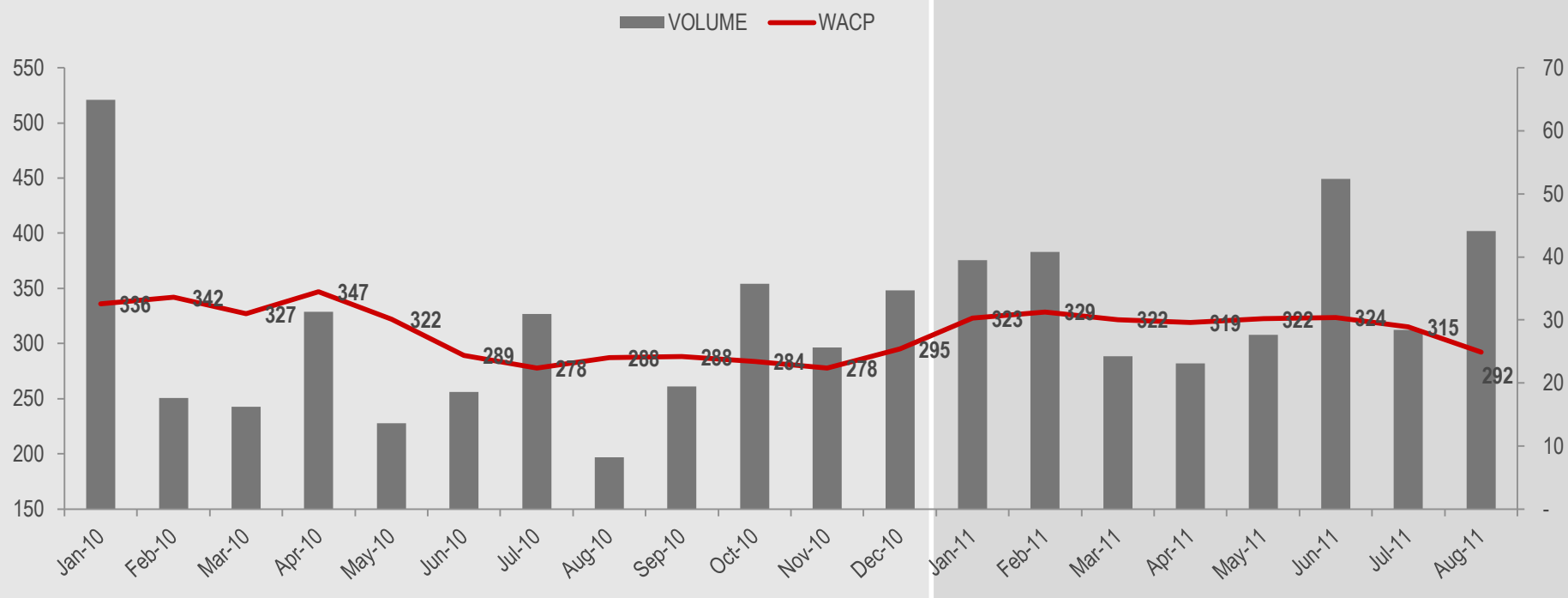
Share performance



Share price and volume movement

HRK

'000 pieces



TICKERS

RECOMMENDATIONS

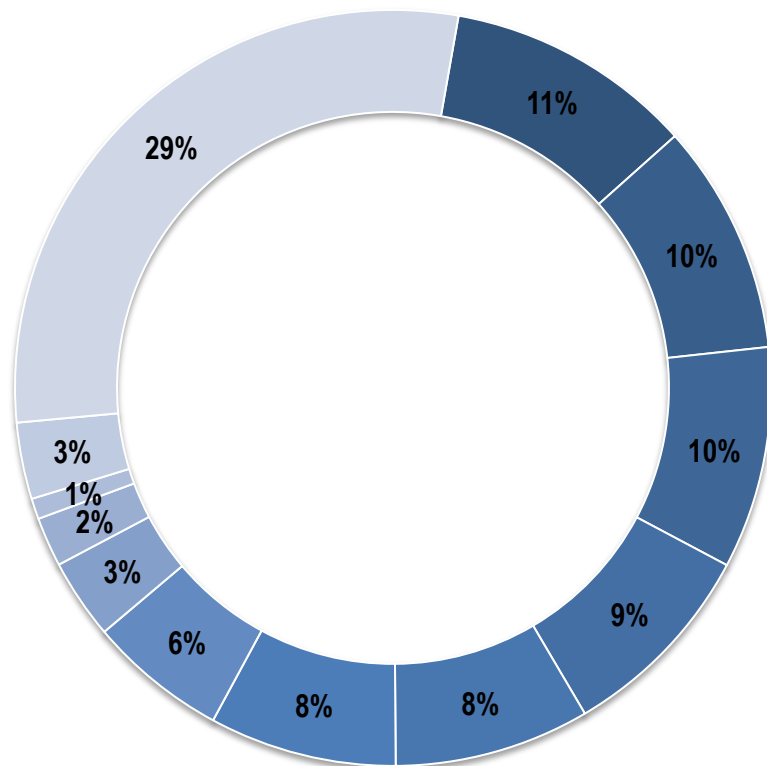
ZAGREB STOCK EXCHANGE
PODR-R-AERSTE
ACCUMULATEBLOOMBERG
PODRRA:CZHAAB
ADDREUTERS
PODR.ZARBA
HOLDINTERCAPITAL
BUY

Jan-Dec 2010

Jan-Aug 2011

Last price	302.68	285.09
Highest price	400.00	343.97
Lowest price	240.00	275.50
Turnover (HRK mn)	97.70	88.98
Mcap (HRK mn)	1,640.53	1,545.19

Shareholders structure as of 23 September 2011



- ▶ TOP 10 67.5%
- ▶ other legal and natural persons 32.5%

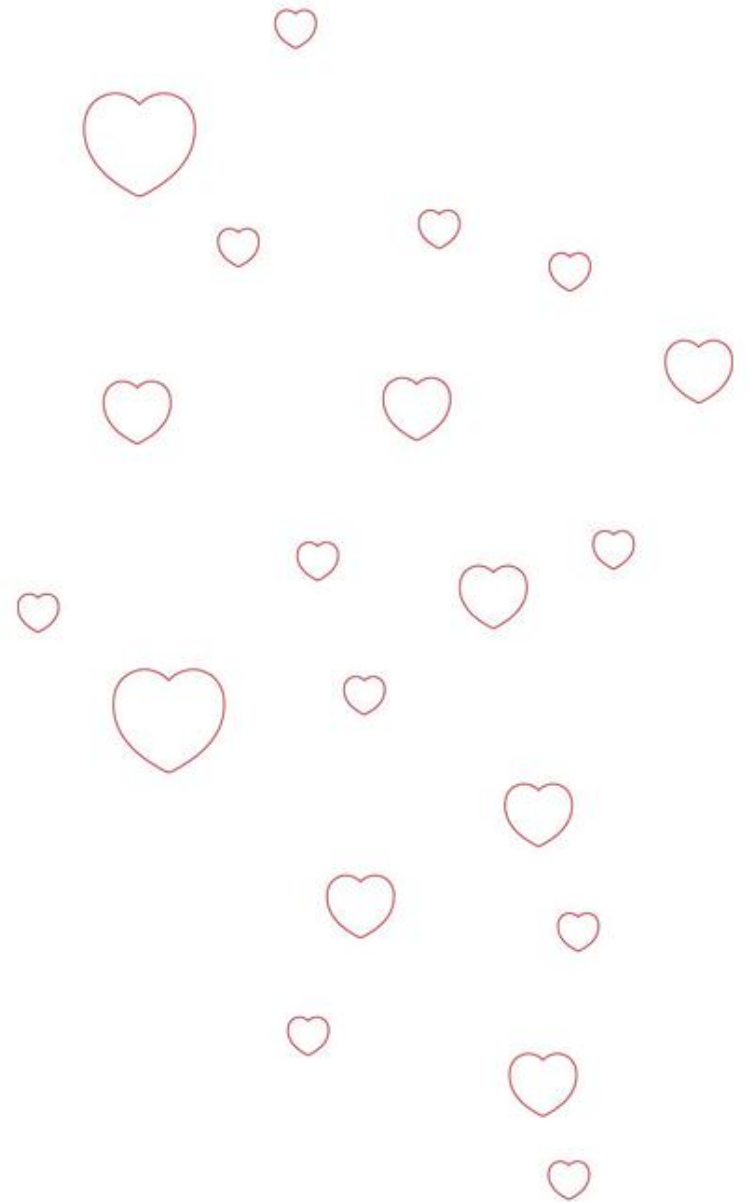
■ CPF/CIPi	575,598
■ GAMA/Republic of Croatia	535,086
■ Erste plavi MPF	514,863
■ PBZ Croatia osiguranje MPF	474,607
■ AZ MPF	453,112
■ Unicredit Bank Austria AG*	434,237
■ Kapitalni fond d.d.	321,804
■ Raiffeisen MPF	185,531
■ PBZ d.d.*	114,597
■ PBZ d.d./State street client account	48,035
■ Treasury account	177,511
■ Other owners	1,585,022

Total	5,420,003
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CPF (Croatian Privatization Fund), CIPi (Croatian Institute for Pension Insurance), GAMA (Government Asset Management Agency), MPF (Mandatory Pension Fund)

*omnibus custody account

Guidelines for 2011



Guidelines for 2011

focus on **own products**

development of **new products**

extension of key brands and categories

further **rationalization of costs** of goods

sold, selling and distribution costs and

general and administrative costs

indebtness reduction in coming period

- investments in most profitable programs and most prosperous markets
- innovation and high quality of products will ensure keeping of existing and conquer new market positions
- prices movement of raw materials and packaging represent a risk
- additional efforts in control of other costs
- goal is to preserve / improve profit margins
- planned indebtness reduction amounts approximately HRK150 mn
- settlement of disputable share package and relationship with OTP Bank still represents a risk

Always with a heart



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