



MANAGEMENT BOARD

Koprivnica, 22 July 2016

**PODRAVKA INC.**  
**UNCONSOLIDATED FINANCIAL REPORT**  
**FOR 1 – 6 2016 PERIOD**



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## **Content:**

- **General information**
- **Management report on the achieved business results of Podravka Inc. for the period January – June 2016**
- **Unconsolidated financial reports for the period January – June 2016**
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## General information

Podravka prehrambena industrija d.d., Koprivnica, is incorporated in the Republic of Croatia. Today it is included in leading companies in industry operating in the area of South-Eastern, Central and Eastern Europe. The principal activity of the Company comprises production of a wide range of foodstuffs and non-alcoholic beverages.

The Company is headquartered in Koprivnica, Croatia, Ante Starčevića 32.

The Company's shares are listed on the official market of the Zagreb Stock Exchange.

## Management Board members as at 30 June 2016

President	Zvonimir Mršić
Member	Olivija Jakupec
Member	Iva Brajević
Member	Hrvoje Kolarić

The unconsolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").



MANAGEMENT BOARD

Koprivnica, 22 July 2016

## **MANAGEMENT REPORT ON THE ACHIEVED BUSINESS RESULTS OF PODRAVKA INC. FOR THE PERIOD JANUARY – JUNE 2016**

### **Significant events in 1 – 6 2016**

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#### Dividend distribution proposal

After several years of successfully implemented restructuring processes and achieved positive business results, prerequisites have been met for proposal on dividend payment in the amount of HRK 7.00 per share, 10 years from the last dividend payment. The final decision on the dividend distribution will be adopted by the Podravka Inc. shareholders at the company's General Assembly meeting.

#### Changes in the Management Board of Podravka

At the session held on 15 February 2016, the Supervisory Board of Podravka Inc. approved the Agreement on termination of the mandate for Podravka Inc. Management Board Member, Mr. Miroslav Klepač according to which his mandate ended on 31 March 2016. Mr. Miroslav Klepač was appointed a Member of the Management Board of Podravka Inc. on 24 February 2012. As a Management Board Member he was specifically responsible for the finance on the Podravka Group level.

At the same session, the Supervisory Board of Podravka Inc. appointed Ms. Iva Brajević as the new Member of the Management Board of Podravka Inc. responsible for the finance on the Podravka Group level. Her mandate entered into force on 1 April 2016 and terminates upon the expiry of mandate of the Management Board as a whole. Ms. Iva Brajević has been working in Podravka Inc. as of 9 September 2013, and has worked as Director of Corporate Accounting and Tax and from September 2015 as Controlling Director. She graduated from the Faculty of Economics in Zagreb, and through the additional education has acquired licenses Head of Investor Relations and Head of development and implementation of EU-funded projects. She previously gained her business experience in several branches of international corporations in Croatia - among other, as the Finance Manager at DHL (2006 - 2012), and Unilever Finance manager for the companies in Croatia and Slovenia (1998 - 2005).



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## **Key business highlights of 1 – 6 2016**

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In H1 2016, Podravka Inc. recorded sales of HRK 880.1 million, which is a 6.5% growth compared to the same period of the previous year. The increase in sales is primarily a result of the increase in sales of the Lino World category and the integration of the company Danica as of 1 October 2015.

Total operating expenses of Podravka Inc. in H1 2016 grew by 9.1% compared to H1 2015. The most significant growth, of 31.4%, was recorded by costs of raw materials and supplies.

Following the movements of operating income and expenses, the operating profit of Podravka Inc. in H1 2016 amounted to HRK 54.6 million, while in H1 2015 it amounted to HRK 72.7 million.

In H1 2016, finance income of HRK 26.5 million were recorded with finance costs of HRK 26.6 million, while the effective tax rate was 20.9%. In H1 2016, the profit for the period amounted to HRK 43.1 million.

Total assets of Podravka Inc. as at 30 June 2016 amount to HRK 3,304.5 million, which is 1.4% higher than at the end of 2015. The most significant increases on the assets side were: (i) in current financial assets due to an increase in loans given to related companies, (ii) in tangible assets due to investments related to the development of operations, and (iii) in non-current financial assets due to an increase in share in the acquired company. The most significant decrease was in the line item cash with bank and in cashier.

On the equity and liabilities side, liabilities to banks and other financial institutions increased due to normal credit activities including, among other things, utilising short-term borrowings for liquidity purposes.

Cash flow from operating activities in H1 2016 amounted to HRK 40.4 million, as a result of operating business and changes in the working capital. Cash flow from investing activities at the same time amounted to negative HRK 129.3 million, primarily due to cash used for the purchase of non-current tangible and intangible assets. In the same period, cash flow from financing activities amounted to positive HRK 45.5 million. In H1 2016, total cash and cash equivalents decreased by HRK 43.4 million, and consequently, cash and cash equivalents as at 30 June 2016 amounted to HRK 52.0 million.



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**President of the Management Board:**

**Zvonimir Mršić**



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## UNCONSOLIDATED FINANCIAL REPORTS FOR THE PERIOD JANUARY – JUNE 2016



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Appendix 1

Reporting period:

1.1.2016.

to

30.6.2016.

Quarterly financial report of entrepreneur - TFI-POD

Registration number (MB)	03454088		
Identification number of subject (MBS)	010006549		
Personal identification number (OIB)	18928523252		
Issuer company:	PODRAVKA prehrambena industrija d.d., KOPRIVNICA		
Postal code and place	48000 KOPRIVNICA		
Street and number	ANTE STARČEVIĆA 32		
E-mail address:	podravka@podravka.hr		
Internet address:	www.podravka.com		
Code and name of comune/town	201 KOPRIVNICA		
Code and county name	6 KOPRIVNIČKO-KRIŽEVAČKA	Number of employees (at quarter end)	3466
Consolidated statement	NO	NKD/NWC code:	1039
Subsidiaries subject to consolidation (according to IFRS):	Headquarters	Registration number:	

Book keeping service:		
Contact person:	Laljek Senka	
	(authorised person for representation)	
Phone number:	048 653 203	Fascimile: 048 220 562
E-mail address:	senka.laljek@podravka.hr	
Surname and name:	Mršić Zvonimir	
	(authorised person for representation)	

Disclosure documents:

1. Financial statements (balance sheet, profit and loss account, cash flow statement, statement of changes in shareholders' equity and notes to the financial statements)
2. Interim management Report
3. Statement of responsible persons for preparation of financial statements



  
(signed by authorised person for representation)



MANAGEMENT BOARD

PROFIT AND LOSS ACCOUNT  
for the period 1.1.2016. to 30.06.2016.

Obligator: Podravka prehrambena industrija d.d., Koprivnica					
Item	AOP code	Last Year		Current year	
		Cumulative	Quarterly	Cumulative	Quarterly
f	2	3	4	5	6
<b>I. OPERATING REVENUE (112+113)</b>	<b>111</b>	858.294.857	446.330.310	911.625.800	456.329.599
1. Sales revenue	112	826.451.115	428.823.376	880.116.838	441.534.272
2. Other operating revenues	113	31.843.742	17.506.934	31.508.962	14.795.327
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	785.619.909	416.326.483	857.046.027	444.970.006
1. Changes in value of work in progress and finished products	115	-1.147.467	-7.191.949	-9.752.790	-13.160.126
2. Material costs (117 to 119)	116	526.929.523	284.178.657	577.115.598	303.647.044
a) Raw material and material costs	117	295.450.859	160.118.782	398.206.337	201.264.536
b) Costs of goods sold	118	142.838.844	75.909.330	98.412.174	51.867.289
c) Other external costs	119	88.639.820	48.150.545	90.497.087	50.515.219
3. Staff costs (121 to 123)	120	160.577.904	85.204.245	184.316.937	92.935.647
a) Net salaries and wages	121	95.294.667	49.882.159	110.391.396	53.917.361
b) Cost for taxes and contributions from salaries	122	40.793.916	22.143.788	46.491.265	24.526.068
c) Contributions on gross salaries	123	24.489.321	13.178.298	27.434.276	14.492.218
4. Depreciation	124	39.583.014	20.077.532	46.868.455	23.625.294
5. Other costs	125	39.915.676	25.915.889	47.379.052	30.202.492
6. Impairment (127+128)	126	-824.627	-627.115	-4.012.394	-2.430.685
a) Impairment of long-term assets (financial assets excluded)	127	0	0	0	0
b) Impairment of short-term assets (financial assets excluded)	128	-824.627	-627.115	-4.012.394	-2.430.685
7. Provisions	129	0	0	531.576	129.125
8. Other operating costs	130	20.585.888	8.769.224	14.579.593	10.021.215
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	31.963.274	23.845.022	26.467.774	11.026.071
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	19.496.709	14.971.368	10.516.003	7.654.887
2. Interest income, foreign exchange gains, dividends and similar income from non-related parties and other entities	133	11.116.966	7.526.055	15.946.041	3.371.184
3. Share in income from affiliated entrepreneurs and participating interests	134	0	0	0	0
4. Unrealized gains (income) from financial assets	135	1.347.599	1.347.599	5.730	0
5. Other financial income	136	0	0	0	0
<b>IV. FINANCIAL EXPENSES (138 do 141)</b>	<b>137</b>	23.299.095	12.542.867	26.596.823	9.180.257
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related parties	138	3.825.043	3.308.109	5.141.033	255.707
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non-related parties and other entities	139	19.474.052	9.535.029	19.943.173	9.072.074
3. Unrealized losses (expenses) on financial assets	140	0	-300.271	1.512.617	-147.524
4. Other financial expenses	141	0	0	0	0
<b>V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS</b>	<b>142</b>	0	0	0	0
<b>VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS</b>	<b>143</b>	0	0	0	0
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>	0	0	0	0
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>	0	0	0	0
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	890.258.131	470.175.332	938.093.374	467.355.670
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	806.919.004	428.869.350	883.642.850	454.150.263
<b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	81.339.127	41.305.982	54.450.524	13.205.407
1. Profit before taxation (146-147)	149	81.339.127	41.305.982	54.450.524	13.205.407
2. Loss before taxation (147-146)	150	0	0	0	0
<b>XII. PROFIT TAX</b>	<b>151</b>	11.994.321	11.994.321	11.375.502	3.327.662
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	69.344.806	29.311.661	43.075.022	9.877.745
1. Profit for the period (149-151)	153	69.344.806	29.311.661	43.075.022	9.877.745
2. Loss for the period (151-148)	154	0	0	0	0
<b>APPENDIX to P&amp;L account (to be filled in by entrepreneur that prepares consolidated financial report)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	155	0	0	0	0
2. Attributed to minority interest	156	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	69.344.806	29.311.661	43.075.022	9.877.745
<b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)</b>	<b>158</b>	0	0	0	0
1. Exchange differences on translation of foreign operations	159	0	0	0	0
2. Movements in revaluation reserves of long-term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from revaluation of financial assets available for sale	161	0	0	0	0
4. Gains or losses on efficient cash flow hedging	162	0	0	0	0
5. Gains or losses on efficient hedge of a net investment in foreign countries	163	0	0	0	0
6. Share in other comprehensive income / loss of associated companies	164	0	0	0	0
7. Actuarial gains / losses on defined benefit plans	165	0	0	0	0
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>	0	0	0	0
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)</b>	<b>167</b>	0	0	0	0
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	69.344.806	29.311.661	43.075.022	9.877.745
<b>APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial report)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	169	0	0	0	0
2. Attributed to minority interest	170	0	0	0	0



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BALANCE SHEET

as at 30.06.2016.

Obligator: Podravka prehrambena industrija d.d., Koprivnica			
Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
<b>ASSETS</b>			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001	0	0
B) LONG-TERM ASSETS (003+010+020+029+033)	002	1.894.605.133	1.932.353.928
I. INTANGIBLE ASSETS (004 to 009)	003	122.818.399	118.799.690
1. Assets development	004	0	0
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	110.590.711	109.509.761
3. Goodwill	006	0	0
4. Prepayments for purchase of intangible assets	007	0	0
5. Intangible assets in preparation	008	12.227.688	9.289.929
6. Other intangible assets	009	0	0
II. TANGIBLE ASSETS (011 to 019)	010	829.594.913	856.900.473
1. Land	011	43.034.502	43.034.502
2. Buildings	012	445.633.300	433.346.439
3. Plant and equipment	013	250.256.948	257.803.092
4. Tools, facility inventory and transport assets	014	10.567.741	9.925.939
5. Biological assets	015	0	0
6. Prepayments for tangible assets	016	11.571.631	6.218.737
7. Tangible assets in progress	017	67.808.592	105.857.403
8. Other tangible assets	018	722.199	714.361
9. Investments in buildings	019	0	0
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	891.559.077	912.271.678
1. Investments (shares) with related parties	021	791.517.561	808.073.131
2. Loans given to related parties	022	95.481.262	101.250.632
3. Participating interest (shares)	023	994.100	340.500
4. Loans to entrepreneurs in whom the entity holds participating interests	024	0	0
5. Investments in securities	025	0	0
6. Loans, deposits and similar assets	026	3.566.154	2.607.415
7. Other long - term financial assets	027	0	0
8. Investments accounted by equity method	028	0	0
IV. RECEIVABLES (030 to 032)	029	0	0
1. Receivables from related parties	030	0	0
2. Receivables from based on trade loans	031	0	0
3. Other receivables	032	0	0
V. DEFERRED TAX ASSETS	033	50.632.744	44.382.087
C) SHORT TERM ASSETS (035+043+050+058)	034	1.324.306.673	1.364.794.871
I. INVENTORIES (036 to 042)	035	563.215.130	555.684.487
1. Raw-material and supplies	036	138.433.496	122.126.817
2. Work in progress	037	44.585.030	31.469.074
3. Finished goods	038	125.410.263	150.246.180
4. Merchandise	039	55.062.839	52.148.201
5. Prepayments for inventories	040	0	0
6. Long - term assets held for sales	041	199.723.502	199.694.215
7. Biological assets	042	0	0
II. RECEIVABLES (044 to 049)	043	614.044.171	611.746.550
1. Receivables from related parties	044	359.347.835	351.172.743
2. Accounts receivable	045	216.209.194	242.317.836
3. Receivables from participating parties	046	0	0
4. Receivables from employees and members of related parties	047	1.320.499	1.093.168
5. Receivables from government and other institutions	048	15.436.005	928.675
6. Other receivables	049	21.730.638	16.234.128
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	51.633.549	145.366.304
1. Shares (stocks) in related parties	051	20.000	20.000
2. Loans given to related parties	052	49.421.133	140.987.458
3. Participating interests (shares)	053	0	0
4. Loans to entrepreneurs in whom the entity holds participating interests	054	0	0
5. Investments in securities	055	645.000	2.949.295
6. Loans, deposits, etc.	056	1.332.498	1.391.800
7. Other financial assets	057	214.918	17.751
IV. CASH AT BANK AND IN CASHIER	058	95.413.823	51.997.530
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	40.170.206	7.387.628
E) TOTAL ASSETS (001+002+034+059)	060	3.259.082.012	3.304.536.427
F) OFF-BALANCE RECORDS	061	980.151.421	996.435.533



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Obligator: Podravka prehrambena industrija d.d., Koprivnica				
Item	AOP code	Last year (net)	Current year (net)	
1	2	3	4	
<b>LIABILITIES AND CAPITAL</b>				
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	1.950.372.711	1.988.903.680	
I. SUBSCRIBED CAPITAL	063	1.566.400.660	1.566.400.660	
II. CAPITAL RESERVES	064	184.178.962	183.811.687	
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	99.642.627	95.465.850	
1. Reserves prescribed by law	066	12.651.998	12.651.998	
2. Reserves for treasury shares	067	147.604.502	147.604.502	
3. Treasury stocks and shares (deduction)	068	66.709.496	70.886.273	
4. Statutory reserves	069	0	0	
5. Other reserves	070	6.095.623	6.095.623	
IV. REVALUATION RESERVES	071	0	0	
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	-56.821.344	100.150.461	
1. Retained earnings	073	0	100.150.461	
2. Accumulated loss	074	56.821.344	0	
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	156.971.806	43.075.022	
1. Profit for the current year	076	156.971.806	43.075.022	
2. Loss for the current year	077	0	0	
IX. MINORITY INTERESTS	078	0	0	
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	31.667.552	31.999.332	
1. Provisions for pensions, severance pay, and similar liabilities	080	17.013.353	17.013.353	
2. Reserves for tax liabilities	081	0	0	
3. Other reserves	082	14.654.199	14.985.979	
<b>C) LONG - TERM LIABILITIES (084 to 092)</b>	<b>083</b>	634.831.994	578.202.815	
1. Liabilities to related parties	084	0	0	
2. Liabilities for loans, deposits etc.	085	0	0	
3. Liabilities to banks and other financial institutions	086	634.831.994	578.202.815	
4. Liabilities for received prepayments	087	0	0	
5. Accounts payable	088	0	0	
6. Liabilities arising from debt securities	089	0	0	
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090	0	0	
8. Other long-term liabilities	091	0	0	
9. Deferred tax liability	092	0	0	
<b>D) SHORT - TERM LIABILITIES (094 to 105)</b>	<b>093</b>	596.989.702	653.480.546	
1. Liabilities to related parties	094	11.670.539	10.131.202	
2. Liabilities for loans, deposits etc.	095	498.365	423.048	
3. Liabilities to banks and other financial institutions	096	257.215.121	369.788.033	
4. Liabilities for received prepayments	097	38.175	0	
5. Accounts payable	098	286.319.738	227.865.627	
6. Liabilities arising from debt securities	099	0	0	
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	0	0	
8. Liabilities to employees	101	35.358.859	34.711.545	
9. Liabilities for taxes, contributions and similar fees	102	2.776.920	4.813.412	
10. Liabilities to share - holders	103	676.368	676.368	
11. Liabilities for long-term assets held for sale	104	0	0	
12. Other short - term liabilities	105	2.435.617	5.071.311	
<b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>106</b>	45.220.053	51.950.054	
<b>F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	3.259.082.012	3.304.536.427	
<b>G) OFF-BALANCE RECORDS</b>	<b>108</b>	980.151.421	996.435.533	
<b>APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)</b>				
<b>CAPITAL AND RESERVES</b>				
1. Attributed to equity holders of parent company	109	0	0	
2. Attributed to minority interest	110	0	0	



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STATEMENT OF CASH FLOWS - INDIRECT METHOD

for the period 1.1.2016. to 30.06.2016.

Obligator: Podravka prehrambena industrija d.d., Koprivnica				
Item	AOP code	Last year	Current year	
1	2	3	4	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
1. Profit before tax	001	81.339.127	54.450.524	
2. Depreciation	002	39.583.014	46.888.455	
3. Increase in short term liabilities	003	10.750.609	0	
4. Decrease in short term receivables	004	0	0	
5. Decrease in inventories	005	0	7.501.357	
6. Other increase in cash flow	006	7.544.539	2.502.222	
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>139.217.289</b>	<b>111.342.558</b>	
1. Decrease in short term liabilities	008	0	19.280.121	
2. Increase in short term receivables	009	109.246.005	9.517.355	
3. Increase in inventories	010	6.415.635	0	
4. Other decrease in cash flow	011	45.723.446	42.158.973	
<b>II. Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>161.385.086</b>	<b>70.956.449</b>	
<b>A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>0</b>	<b>40.386.109</b>	
<b>A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>22.167.797</b>	<b>0</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
1. Cash inflows from sales of long-term tangible and intangible assets	015	4.399.101	11.325.990	
2. Cash inflows from sales of equity and debt instruments	016	0	6.156.177	
3. Interests receipts	017	4.103.735	1.601.757	
4. Dividend receipts	018	0	0	
5. Other cash inflows from investing activities	019	8.592.971	1.189.399	
<b>III. Total cash inflows from investing activities (015 to 019)</b>	<b>020</b>	<b>17.095.807</b>	<b>20.273.323</b>	
1. Cash outflow for purchase of long-term tangible and intangible assets	021	32.221.825	80.222.775	
2. Cash outflow for acquisition of equity and debt financial instruments	022	1.854.322	11.119.047	
3. Other cash outflow for investing activities	023	20.395.502	58.256.901	
<b>IV. Total cash outflow for investing activities (021 do 023)</b>	<b>024</b>	<b>54.471.649</b>	<b>149.598.723</b>	
<b>B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>0</b>	
<b>B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)</b>	<b>026</b>	<b>37.375.842</b>	<b>129.325.400</b>	
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
1. Cash inflow from issuing property and debt financial instruments	027	0	0	
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	95.243.363	264.690.452	
3. Other proceeds from financial activities	029	1.302.800	312.672	
<b>V. Total cash inflows from financial activities (027 to 029)</b>	<b>030</b>	<b>96.546.163</b>	<b>265.003.124</b>	
1. Cash outflow for repayment of credit principal and bonds	031	107.718.788	214.321.518	
2. Cash outflow for dividends paid	032	0	0	
3. Cash outflow for financial lease	033	365.960	529.732	
4. Cash outflow for purchase of treasury shares	034	1.596.360	4.628.876	
5. Other cash outflow for financial activities	035	0	0	
<b>VI. Total cash outflow for financial activities (031 to 035)</b>	<b>036</b>	<b>109.681.108</b>	<b>219.480.126</b>	
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>45.522.998</b>	
<b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	<b>13.134.945</b>	<b>0</b>	
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	0	
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	72.678.584	43.416.293	
Cash and cash equivalents at the beginning of the period	041	88.785.415	95.413.823	
Increase of cash and cash equivalents	042	0	0	
Decrease of cash and cash equivalents	043	72.678.584	43.416.293	
Cash and cash equivalents at the end of the period	044	16.106.831	51.997.530	



MANAGEMENT BOARD

**STATEMENT OF CHANGES IN EQUITY**  
for the period 1.1.2016. to 30.06.2016.

Obligator: Podravka prehrambena industrija d.d., Koprivnica			
Item	AOP code	Last year	Current year
1	2	3	4
1. Subscribed capital	001	1.566.400.660	1.566.400.660
2. Capital reserves	002	184.178.962	183.811.687
3. Reserves from profit	003	99.642.627	95.465.850
4. Retained earnings or accumulated loss	004	-56.821.344	100.150.461
5. Profit or loss for the current year	005	156.971.806	43.075.022
6. Revaluation of long - term tangible assets	006	0	0
7. Revaluation of intangible assets	007	0	0
8. Revaluation of financial assets available for sale	008	0	0
9. Other revaluation	009	0	0
<b>10. Total capital and reserves (AOP 001 do 009)</b>	<b>010</b>	<b>1.950.372.711</b>	<b>1.988.903.680</b>
11. Currency gains and losses arising from net investment in foreign operations	011	0	0
12. Current and deferred taxes (part)	012	0	0
13. Cash flow hedging	013	0	0
14. Changes in accounting policy	014	0	0
15. Correction of significant errors in prior period	015	0	0
16. Other changes of capital	016	612.508.803	38.530.969
<b>17. Total increase or decrease in capital (AOP 011 do 016)</b>	<b>017</b>	<b>612.508.803</b>	<b>38.530.969</b>
17 a. Attributed to equity holders of parent company	018	0	0
17 b. Attributed to minority interest	019	0	0

Notes to the financial statements:

During 2016 the company changed its accounting policy for revenue recognition to which sales is stated in amounts that are additionally reduced by contracted cost of marketing and sales promotion.



MANAGEMENT BOARD

## STATEMENT FROM EXECUTIVES RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

Koprivnica, 22 July 2016

### STATEMENT FROM EXECUTIVES RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

Financial statements of Podravka d.d. for the period January – June 2016 have been prepared in compliance with the Accounting Act of the Republic of Croatia and International Financial Reporting Standards (IFRS) and provide an overall and true presentation of assets, liabilities, profit and loss, financial position and business operations.

Financial statements of Podravka d.d. for the period January – June 2016 were approved by the Management Board on 22 July 2016.

Accounting and Taxes Director:  
Senka Laljek

Board Member:  
Iva Brajević



MANAGEMENT BOARD

## Contact

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