



Podravka Inc. 2016 General Assembly

22 July 2016, Koprivnica.





Achievements in 2015

Business results in 2015

Report on the acquisition of own shares

Business results in H1 2016

Significant events in 2015



Capital increase of Podravka Inc.:

- 1,700,000 new regular shares issued; oversubscription by 33%; ESOP introduced,
- HRK 510 million raised; 85% of raised funds used for Žito acquisition, remaining part for Belupo factory construction and international expansion.



Share Purchase Agreement for Žito Inc.:

- 21 April → SPA for 51.5% of Žito's shares signed; 5 October → transaction closed; 23 November → additional 35.3% shares acquired,
- 19 January 2016 → decision on minorities shareholders squeeze out and on delisting from LJSE by Žito's General Assembly.



Commencement of Belupo factory construction:

- HRK 507.3 million of total investment, 60% financed by credit, 40% financed by own funds; aim → additional capacity and new technologies,
- government incentive received in the amount of 40% of the total investment cost, as income tax benefits that can be used in the next 10 years.



Merger of meat company Danica in Podravka Inc.:

- full integration will bring better focus on meat programme with the aim to strengthen its competitive position,
- additional savings in almost all business processes are expected to improve financial business indicators.



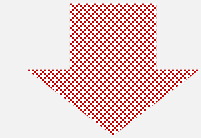
Consolidation of Mirna:

- elimination of reasons for bankruptcy procedure, consolidation of Mirna from the beginning of April,
- in the first half of August, Podravka reached 84.2% ownership share in Mirna.

With unique apprenticeship program SHAPE we create added value of our company



With development of younger age employees we build and ensure the company's future



RECRUITMENT OF TALENTS

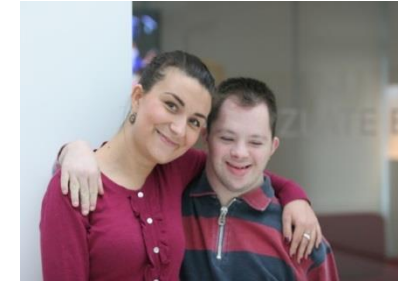
- High criteria of employment
- Process uniformity
- Equal criteria for all candidates
- Selection transparency

In three years
we have hired:

93 appren. VSS
40 appren. SSS



Cooperation with Club Latica



Decoration of PRC



Supporting the global campaign for people
with rare diseases



Apprentices and children with disabilities

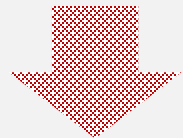


2015
33 appren. VSS

Helping Slavonia

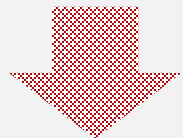


ADDITIONAL CONTRIBUTION TO THE COMPANY AND COMMUNITY = PERMANENT CULTURE CHANGE



DEVELOPMENT OF TALENTS

- According to the clearly structured program
- Guidance by mentors
- We reduce the time of independence in work



ACTIVE SUPPORTERS AND CREATORS OF ORGANISATIONAL CULTURE THAT WE DESIRE

- Encouraging focus on individual and team contribution to the company
- Respecting and living the company values
- The development of socially responsible awareness and active support

We ensure the company's continued growth through the development of people

A multitude of structured development programs

examples of programs:

Recipe for Excellence – talent development



Podravka Sales Academy

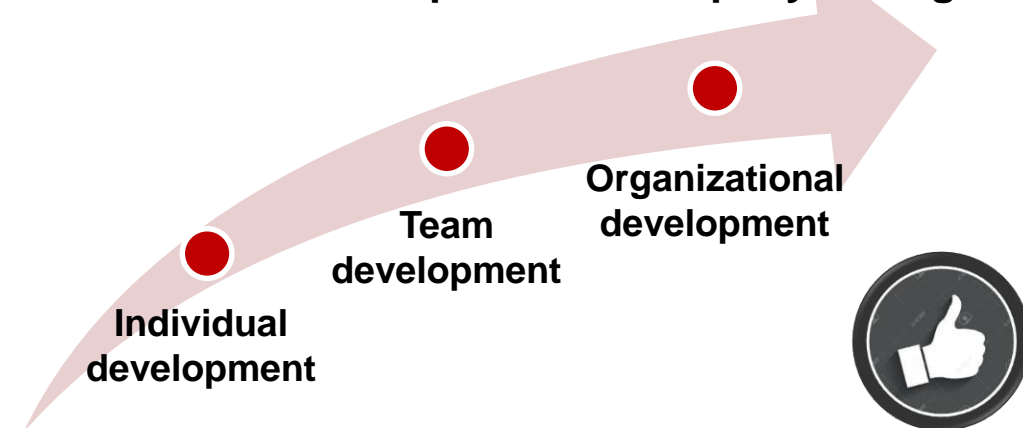


SHAPE UP – the continued development of young employees after internship

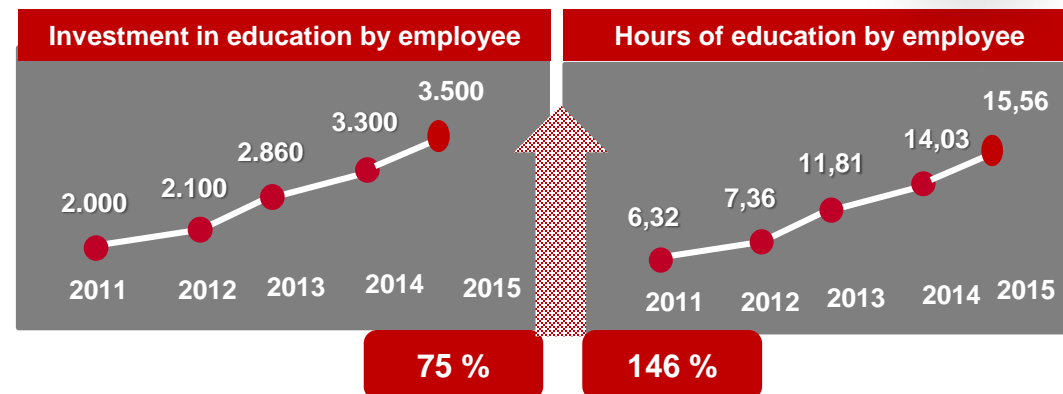
- Raising competence level through **numerous development programs**
- Creating **company's** culture that's **constantly learning**
- **Availability** of overall **development** is very important to us



Growth and development of company through



Increase in financial investment and hours of education

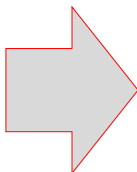


Acknowledgement for excellence in human resources management

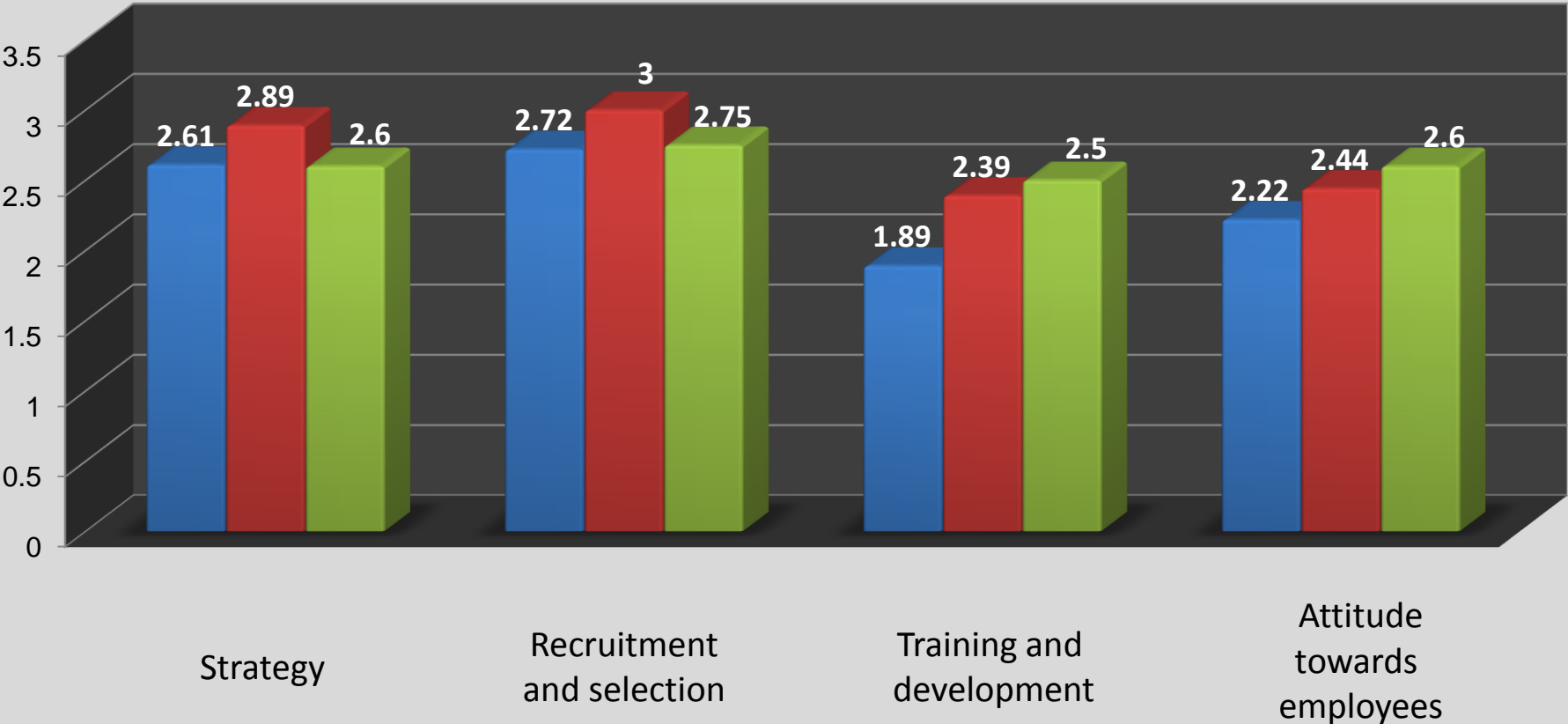


CEP

CERTIFIKAT
POSLODAVAC
PARTNER

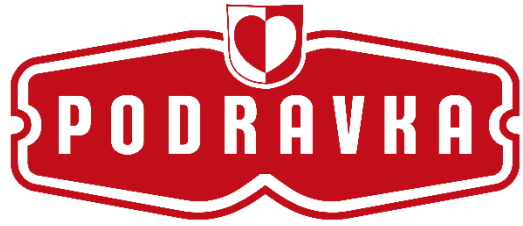


independent and measurable certificate of success in the area of human resources management for employers



**CONSTANTLY
IMPROVING
RESULTS**

- Podravka 2014
- Podravka 2015
- Other companies



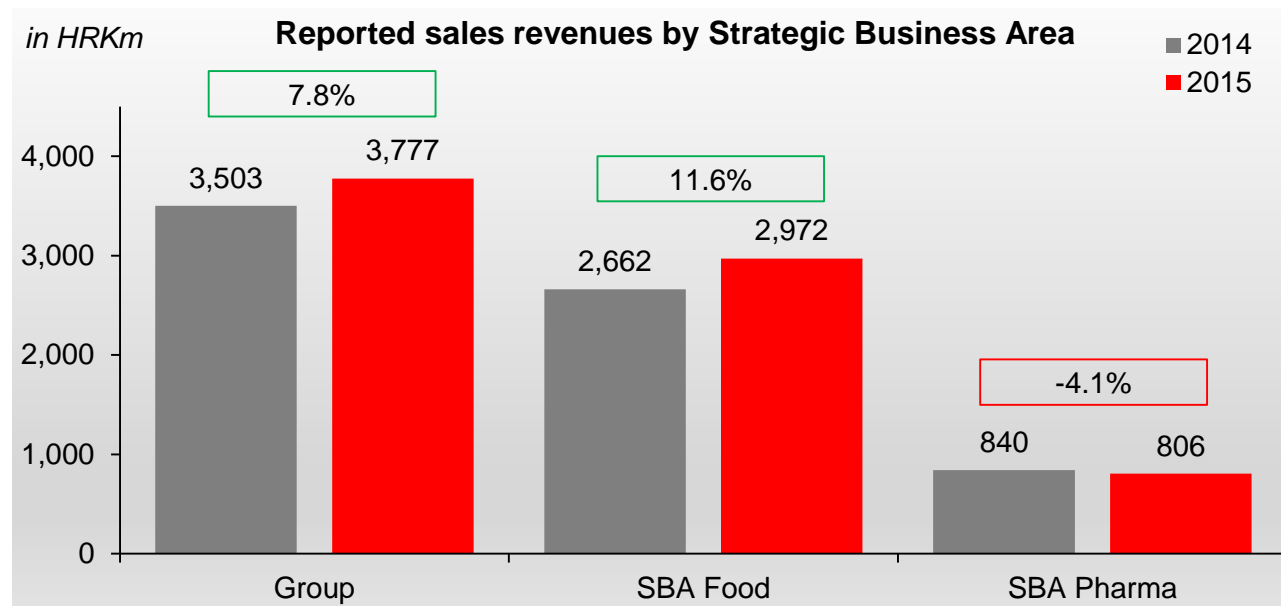
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Own brands in Food segment recorded 2.7% organic sales revenues growth in 2015 despite FX impact



SBA Food excluding acquired product range and beverages:

- **own brands** → 2.7% higher sales due to higher sales in culinary category (+2.6%) and baby, breakfast and other food category (+5.4%),
- **other sales** → 8.5% lower sales mostly due to lower poppy seed market price in Europe Region,
- **total SBA Food** → 1.3% higher sales.

Podravka Group excluding acquired assortment impact and beverages:

- 0.7% sales growth of **own brands**, 4.5% lower sales of **other sales**, **total** on the 2014 level.

Net FX impact on sales revenues:

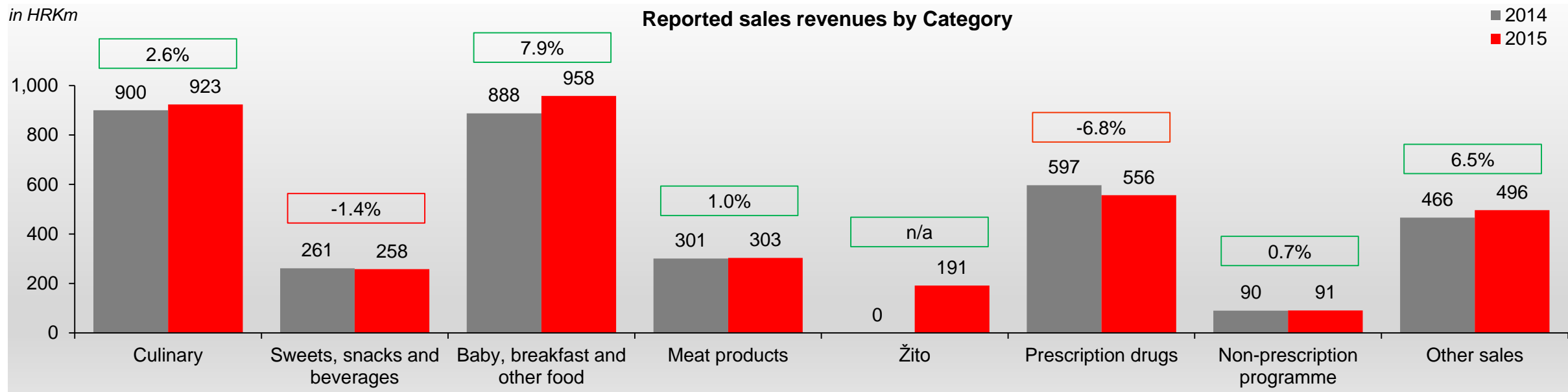
HRKm	Own brands	Other sales	Total	Currency	HRKm
Food	(21.4)	(0.5)	(21.9)	RUB	(57.8)
Pharmaceuticals	(35.9)	(0.3)	(36.2)	RSD	(4.3)
Group	(57.3)	(0.8)	(58.1)	EUR	(2.6)
				BAM	(1.3)
				USD	7.9
				Other	(0.0)
				Total	(58.1)

- FX impact on sales revenues shows by for how many HRK would sales revenues have been higher or lower if FX rates had remained as in 2014.

SBA Pharmaceuticals:

- **own brands** → 5.8% lower sales due to significant FX impact (HRK -35.9m), suspension of operations in Ukraine and Kazakhstan (est. HRK -11.2m) and CHIF impact (est. HRK -10.0m),
- **other sales** → 3.6% higher sales due to trade goods sales growth in Farmavita,
- **total SBA Pharmaceuticals** → 4.1% lower sales.

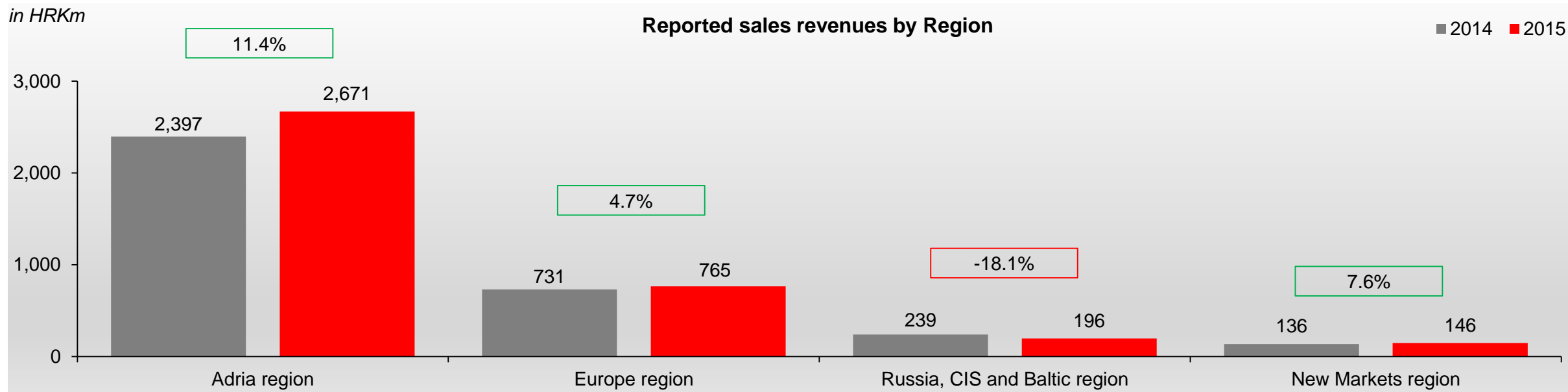
Significant organic sales growth of baby, breakfast and other food category in 2015



Key highlights:

- **culinary** → sales increase of universal seasonings subcategory and soups subcategory,
- **sweets, snacks and beverages** → **excluding beverages product range** which is for sale, sales dropped 2.4% due to product range rationalization, competitor activities and shrinkage of overall snacks category,
- **baby, breakfast and other food** → **excluding Mirna assortment**, sales grew 5.4% thanks to sales growth of baby food, condiments and frozen vegetables subcategories,
- **meat products** → **excluding PIK assortment**, sales dropped 2.7% due to stronger marketing activities of competitors,
- **Žito** → consolidated Q4 2015 of Žito's sales; in whole 2015 Žito posted 3.7% sales growth of own brands,
- **prescription drugs** → HRK -32.3m of Russian ruble impact, estimated HRK -11.2m impact of Ukraine and Kazakhstan operation suspension, HRK -10.0m of estimated CHIF impact,
- **non-prescription programme** → 5.1% sales growth of OTC subcategory on the market of Croatia,
- **other sales** → **excluding Žito's sales**, 3.7% lower sales due to lower market price of poppy seeds, partially compensated by higher sales of trade goods in Farmavita.

Adria region is the main driver of sales growth in 2015



Key highlights:



















- **Adria region** → 1.4% sales growth **excluding acquired product range and beverages**, mostly as a result of soups, baby food and prescription drugs subcategories sales growth,
- **Europe region** → 0.4% sales growth **excluding acquired product range and beverages**; 5.3% sales growth of own brands compensated for lower sales of poppy seeds,
- **Russia, CIS & Baltic region** → Russian ruble had HRK -22.4m impact in food and HRK -35.4m impact in pharma segment; **excl. FX impact**, region saw 5.6% sales growth, mostly as a result of frozen vegetables subcategory,
- **New Markets region** → 6.2% sales growth **excluding acquired product range and beverages** due to culinary category growth in Australia and USA.

Net FX impact on region's sales revenues:

Region	HRK m
Adria	(7.9)
Europe	(0.1)
Russia, CIS, Baltics	(57.8)
New Markets	7.7

- FX impact on sales revenues shows by how many HRK would sales revenues have been higher or lower if FX rates had remained as in 2014.

Positive impact of Q4 2015 Žito consolidation on food segment profitability

2015 (in HRKm) ¹	Food stand-alone		Gain on a bargain purchase of Žito		Food reported	
Sales revenues	2,732.3	 2.6%	-	n/a	2,971.6	 11.6%
Gross profit	1,030.3	 1.8%	-	n/a	1,110.8	 9.7%
EBITDA	227.6	 16.0%	115.7	n/a	369.3	 88.3%
EBIT	106.6	 41.4%	115.7	n/a	237.6	 215.0%
Net profit after MI	86.4	 199.5%	110.4	n/a	210.0	 628.2%
2015 (% of sales revenues) ²	Food stand-alone		Q4 2015 Žito impact		Food reported	
Gross margin	37.7%	 -32 bp			37.4%	 -65 bp
EBITDA margin	8.3%	 +96 bp			12.4%	 +506 bp
EBIT margin	3.9%	 +107 bp			8.0%	 +516 bp
Net margin after MI	3.2%	 +208 bp			7.1%	 +598 bp

Key highlights:

▪ Stand-alone food segment:




























- lower **gross profit margin** as a result of changed sales structure, with the increase in sales of the range that has lower gross margin than the food segment average,
- **operating profit** in 2015 impacted by: (i) HRK 24.8m positive effect of Mirna consolidation, (ii) HRK 33.0m severance payments and (iii) HRK 9.4m Žito related acquisition and integration expenses; in 2014 impacted by HRK 65.2m of severance payments,
- **net profit after minorities** in 2015 impacted by HRK 6.7m finance costs related to the ESOP and HRK 11.6m deferred tax revenue.

▪ Žito impact:

- gain on a bargain purchase impact of HRK 115.7m on EBITDA and EBIT and impact of HRK 110.4m on net profit after minorities.

¹Performance in 2015; % change when compared to 2014; ²% of sales revenues in 2015; basis points change when compared to 2014.

Food segment profitability compensated for lower pharma segment profitability in 2015

2015 (in HRKm) ¹	Food reported		Pharmaceuticals		Group reported	
Sales revenues	2,971.6	 11.6%	805.7	 (4.1%)	3,777.2	 7.8%
Gross profit	1,110.8	 9.7%	424.6	 (8.4%)	1,535.5	 4.0%
EBITDA	369.3	 88.3%	98.9	 (19.0%)	468.2	 47.1%
EBIT	237.6	 215.0%	47.7	 (40.6%)	285.2	 83.3%
Net profit after MI	210.0	 628.2%	187.3	 194.4%	397.3	 329.7%
2015 (% of sales revenues) ²	Food reported		Pharmaceuticals		Group reported	
Gross margin	37.4%	 -65 bp	52.7%	 -245 bp	40.7%	 -149 bp
EBITDA margin	12.4%	 +506 bp	12.3%	 -225 bp	12.4%	 +331 bp
EBIT margin	8.0%	 +516 bp	5.9%	 -363 bp	7.6%	 +311 bp
Net margin after MI	7.1%	 +598 bp	23.2%	 1.567 bp	10.5%	 +788 bp

Key highlights:

Pharmaceuticals:













- top line negative impacts weighted down on the whole profitability,
- lower **gross margin** as a result of changed sales structure with a decrease in sales of own brands and unchanged sales of trade goods,
- FX differences on trade payables and receivables (in other operating expenses) in 2015 HRK -23.3m and in 2014 HRK -43.7m,
- **net profit after MI** was additionally impacted in 2015 by HRK 1.3m of ESOP financial expenses and by HRK 163.7m of deferred tax revenues.

Tax incentive for Belupo factory:

- Belupo received incentive for the construction of new factory in the allowed maximum amount of HRK 163.7m. In 2015 Belupo initially recognized the maximum approved amount of incentives as deferred tax asset and tax revenue.

¹Performance in 2015; % change when compared to 2014; ²% of sales revenues in 2015; basis points change when compared to 2014.

Operating expenses movement in line with business developments

Operating expenses	2015/2014 without Žito	2015/2014 reported
Cost of goods sold (COGS)	3.0% 	10.6% 
General and administrative expenses (G&A)	(8.4%) 	(5.4%) 
Selling and distribution costs (S&D)	1.8% 	11.1% 
Marketing expenses (MEX)	8.2% 	11.5% 
Other costs	(17.6%) 	(18.9%) 
Total	1.9% 	8.5% 

Key highlights:

COGS without Žito:

- 3.0% higher COGS due to both organic growth of food segment and inorganic growth of food segment (Mirna and PIK assortment),

G&A expenses without Žito:

- HRK 41.1m of severance payments and HRK 9.4m of Žito acquisition and integration expenses in 2015, HRK 72.1m of severance payments in 2014; excluding aforementioned impacts, G&A expenses were 2.5%, lower; excluding Mirna expenses that were not included in 2014, G&A expenses would be 6.9% lower,

S&D costs without Žito:

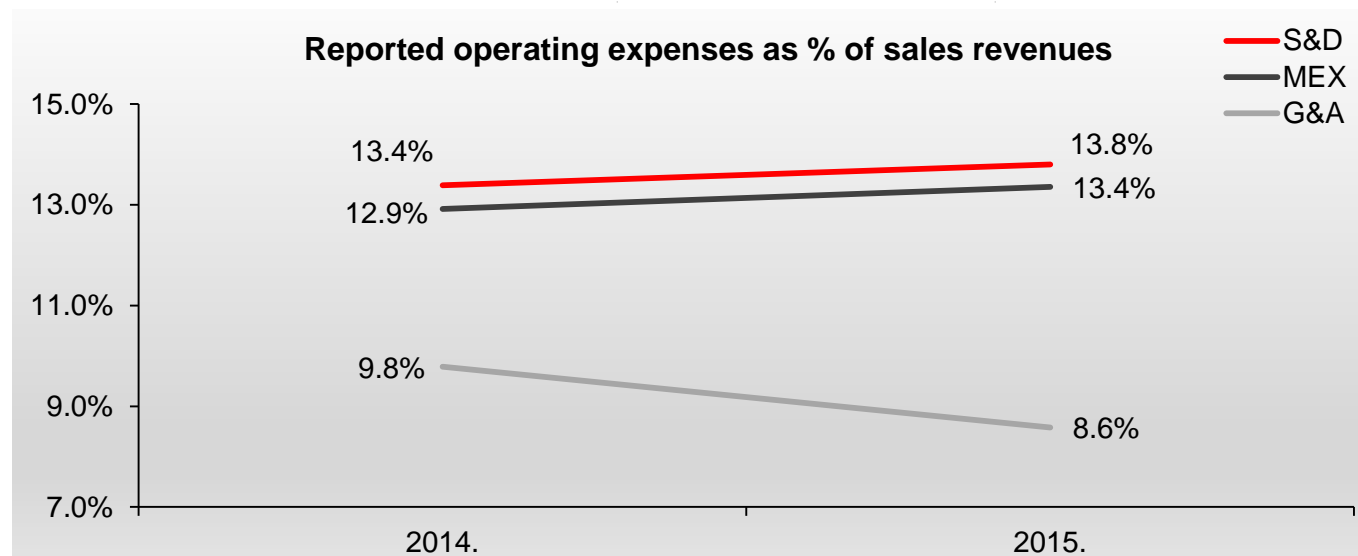
- impact of initial costs related to the decision to enter new markets and by S&D costs of food company in Russia and Mirna that were not charged in 2014; excluding aforementioned impacts, S&D costs fell 2.7%,

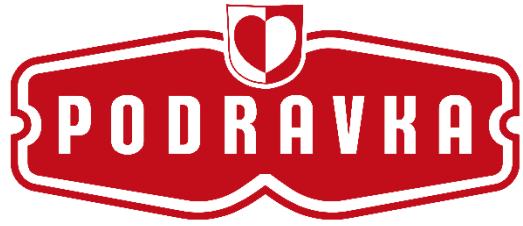
MEX without Žito:

- stronger marketing activities related to the opening of new markets, culinary category in Western Europe and baby food and meat products assortment in Adria region,

Other costs without Žito:

- 37% lower net foreign exchange losses on trade receivables and payables.





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Podravka Inc. Management Board’s report on the acquisition of own shares

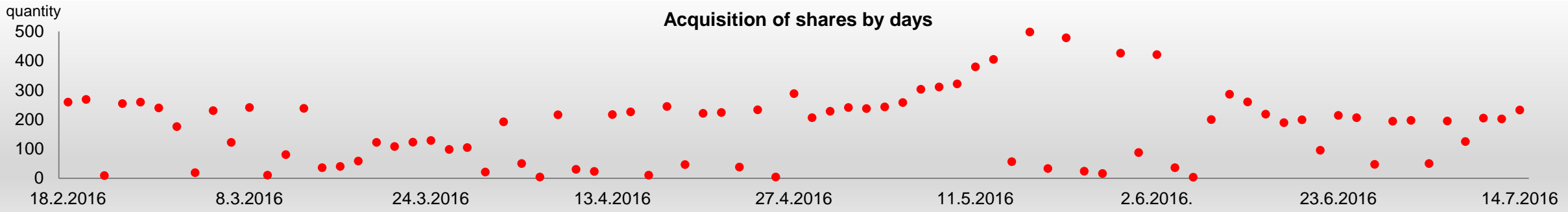
Own shares acquisition programme

- **Right** for the acquisition of own shares has been given to Management Board by General Assembly’s resolution on 3 July 2015,
- **Purpose** of the programme is the realisation of ESOP¹ programme and management compensation,
- **Total share number** acquired by the programme together with current own shared cannot surpass 10% of share capital in the moment of acquisition,
- **Shares are acquired** exclusively on the Zagreb Stock Exchange at a price no higher that the last independent transaction,
- **Length** of this programme is, in accordance with the resolution on the acquisition of own shares, the period of 5 years since the date of resolution adoption.

Execution of own shares acquisition programme

- In 18 February 2016 – 14 July 2016 period Podravka Inc. acquired 14,032 of own shares that account for 0.197% of share capital,
- Acquisition cost amounted to HRK 4.7 million,
- As at 22 July 2016 Podravka Inc. holds 191,543 of own shares, that account for 2.7% of share capital.

Total number of issued shares	Number of acquired own shares	Percentage of share capital	Acquisition cost ²
7,120,003	14,032	0.197 %	4,690,387.23 HRK



¹Employee stock ownership programme; ²Includes transaction cost.



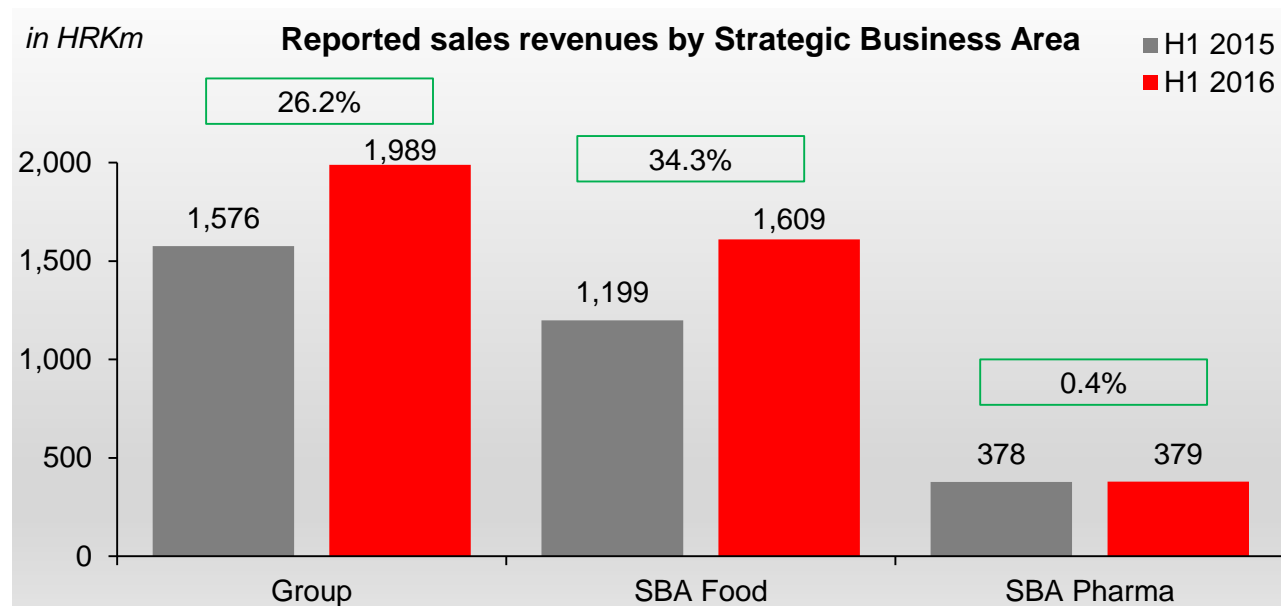
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Own brands posted 4.3% sales growth in H1 2016 on the pro-forma level excluding FX impact



Net impact of foreign exchange (FX) on sales revenues:

HRK _m	Own brands	Other sales	Total	Currency	HRK _m
Food	(25.2)	(1.1)	(26.2)	RUB	(25.6)
Pharmaceuticals	(16.1)	(0.4)	(16.4)	EUR	(5.9)
Group	(41.1)	(1.5)	(42.6)	Other	(11.1)
				Total	(42.6)

- FX impact on sales revenues shows for how much sales revenues would have been higher or lower in H1 2016 if FX rates had remained on the same levels as in H1 2015.

Pro-forma SBA Food¹:

- Own brands** → 1.2% higher sales (+3.1% excl. FX), due to sales growth of the majority of categories,
- Other sales** → 2.1% higher sales (+2.6% excl. FX) as a result of new projects in the trade goods subcategory,
- Total SBA Food** → 1.4% higher sales (+3.0% excl. FX).

SBA Pharmaceuticals¹:

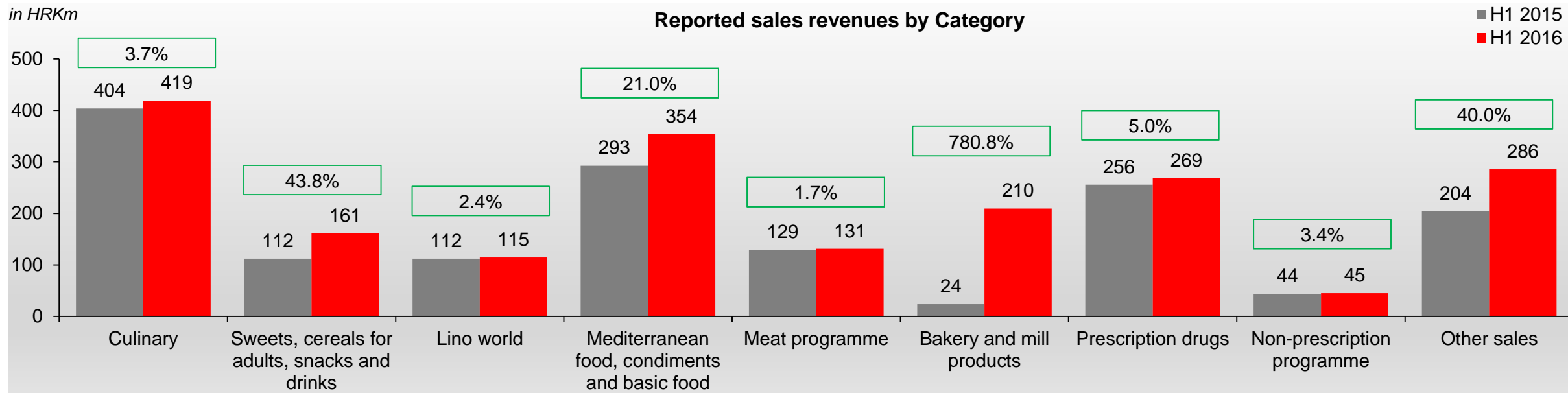
- Own brands** → 4.8% higher sales (+10.2% excl. FX) due to the cooperation expansion in the Russian market,
- Other sales** → 16.5% lower sales (-16.1% excl. FX) as a result of stronger focus on own brands,
- Total SBA Pharmaceuticals** → 0.4% higher sales (+4.7% excl. FX).

Pro-forma Podravka Group¹:

- Own brands** → 1.9% higher sales (+4.3% excl. FX),
- Other sales** → 2.9% lower sales (-2.3% excl. FX),
- Total Podravka Group** → 1.2% higher sales (+3.3% excl. FX).

¹Percentages in the text relate to performance in H1 2016 compared to H1 2015, under assumption that Žito Group has been consolidated from the beginning of 2015.

Vast majority of categories posted organic sales growth on the pro-forma level

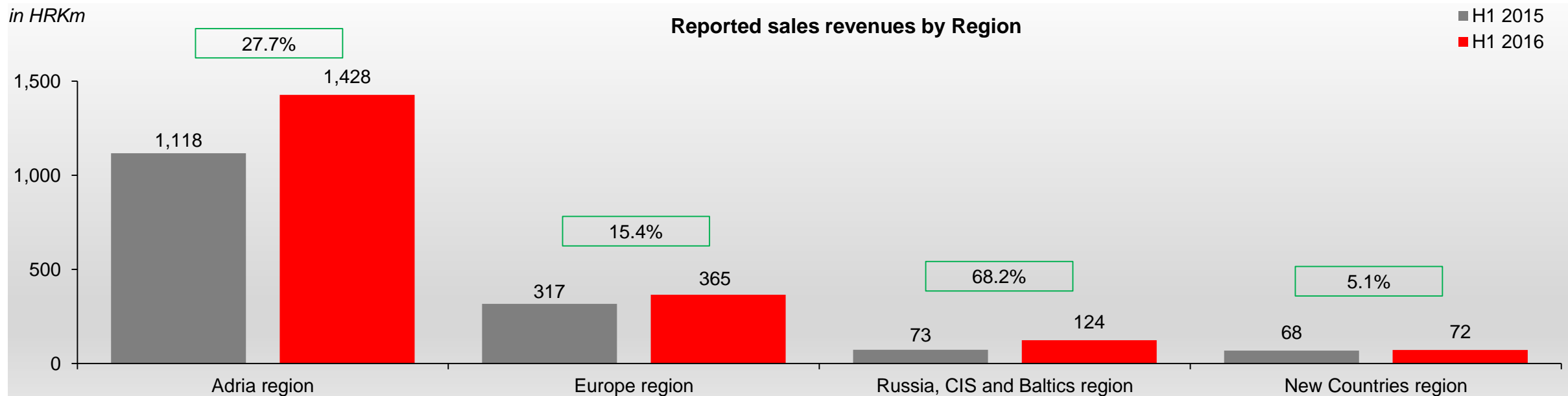


Pro-forma category performance in H1 2016¹:

- **Culinary (+1.0%; +4.3% excl. FX)** → promotional activities related to the Vegeta brand in Poland; successful implementation of the new business model in Russia,
- **Sweets, cereals for adults, snacks and drinks (-7.3%; -6.7% excl. FX)** → temporary change in delivery dynamics of the confectionary subcategory,
- **Lino world (+2.4%; +3.0% excl. FX)** → activities and innovation on the Lino Lada brand in the Croatian market; introduction of baby purees range,
- **Mediterranean food, condiments and core food (+3.1%; +5.0% excl. FX)** → frozen vegetables growth in the Russian market; promotional activities on the pasta and rice subcategories in Slovenia; distribution growth of condiments subcategory in Germany.
- **Meat programme (+1.7%; +2.6% excl. FX)** → extension of the pâté range distribution in the market of Russia,
- **Bakery and mill products (+5.1%; +6.0% excl. FX)** → increased activities in the Slovenian market; extended distribution and product range in European markets,
- **Prescription drugs (+5.0%; +10.7% excl. FX)** → expansion of business cooperation on the Russian market and heart and blood vessels assortment on the B&H market,
- **Non-prescription programme (+3.4%; +7.1% excl. FX)** → expansion of business cooperation on the Russian market and assortment extension on the Slovenian market,
- **Other sales (-2.9%; -2.3% excl. FX)** → lower sales of trade goods in pharma segment.

¹Percentages in the text relate to performance in H1 2016 compared to H1 2015, under assumption that Žito Group has been consolidated from the beginning of 2015.

International markets posted 3.3% sales growth in H1 2016


















Pro-forma region performance in H1 2016¹:













- **Adria region (-1.8%; -1.1% excl. FX)** → the decrease in value of certain categories and pressure of private labels in the Mediterranean food, condiments and core food category; lower sales of trade goods in pharmaceutical segment,
- **Europe region (-0.2%; +1.3% excl. FX)** → lower other sales in the food segment; lower sales of the pharmaceuticals segment; increase in sales of own brands in the food segment due to the expansion of distribution and product range,
- **Russia, CIS and Baltic region (+64.7%; +98.8% excl. FX)** → positive impact of the successful implementation of the new business model in food segment on the Russian market; expansion of business cooperation on the Russian market in pharmaceutical segment ,
- **New markets region (+1.2%; +4.5% excl. FX)** → expanded distribution and the product range of the company Žito.

¹Percentages in the text relate to performance in H1 2016 compared to H1 2015, under assumption that Žito Group has been consolidated from the beginning of 2015.

Focus on own brands and cost optimisation positively impacted pharmaceuticals profitability

H1 2016 (in HRK ¹)	Food reported		Pharmaceuticals		Podravka Group reported	
Sales revenues*	1,609.5	 34.3%	379.1	 0.4%	1,988.5	 26.2%
Gross profit	525.2	 25.2%	198.5	 1.9%	723.8	 17.8%
EBITDA	155.7	 11.5%	66.3	 17.3%	222.0	 13.2%
EBIT	84.3	 (2.4%)	45.5	 23.6%	129.8	 5.4%
Net profit after MI	66.9	 (0.7%)	30.3	 23.8%	97.3	 5.8%

*Reclassification of fees contracted with customers for promotional, marketing and similar activities from MEX to decrease of sales revenues.

H1 2016 (% of sales revenues) ²	Food reported		Pharmaceuticals		Podravka Group reported	
Gross margin	32.6%	 -235 bp	52.4%	 +76 bp	36.4%	 -257 bp
EBITDA margin	9.7%	 -197 bp	17.5%	 +252 bp	11.2%	 -128 bp
EBIT margin	5.2%	 -197 bp	12.0%	 +225 bp	6.5%	 -129 bp
Net margin after MI	4.2%	 -146 bp	8.0%	 +151 bp	4.9%	 -94 bp

Key highlights in H1 2016:

Food reported:
















- Positive impact of Mirna consolidation in H1 2015 of HRK 24.8m,
- Lower profitability of Žito Group assortment compared to the average profitability of food segment led to lower profitability margins in H1 2016.

Pharmaceuticals:













- 1.2% lower cost of goods sold as a result of focus on own brands and lowered distribution of trade goods,
- 2.9% lower operating expenses (excluding cost of goods sold) as a result of FX gains on trade receivables and payables as well as a result of focus on cost optimisation,
- Slight decrease of net financial expenses, while effective tax rate in H1 2016 was on the level of statutory rate.

¹Performance in H1 2016; % of change when compared to H1 2015; ²% of sales revenues in H1 2016; basis points change when compared to H1 2015.

Pro-forma profitability growth of Podravka Group on all levels

H1 2016 (in HRK ¹)	Pro-forma Food		Pharmaceuticals		Pro-forma Podravka Group	
Sales revenues*	1,609.5	 1.4%	379.1	 0.4%	1,988.5	 1.2%
Gross profit	525.2	 4.1%	198.5	 1.9%	723.8	 3.5%
EBITDA	155.7	 (5.6%)	66.3	 17.3%	222.0	 0.3%
EBIT	84.3	 (8.0%)	45.5	 23.6%	129.8	 1.1%
Net profit after MI	66.9	 (7.5%)	30.3	 23.8%	97.3	 0.4%

*Reclassification of fees contracted with customers for promotional, marketing and similar activities from MEX to decrease of sales revenues.

H1 2016 (% of sales revenues) ²	Pro-forma Food		Pharmaceuticals		Pro-forma Podravka Group	
Gross margin	32.6%	 +85 bp	52.4%	 +76 bp	36.4%	 +81 bp
EBITDA margin	9.7%	 -71 bp	17.5%	 +252 bp	11.2%	 -10 bp
EBIT margin	5.2%	 -53 bp	12.0%	 +225 bp	6.5%	 0 bp
Net margin after MI	4.2%	 -40 bp	8.0%	 +151 bp	4.9%	 -4 bp

¹Performance in H1 2016; % of change when compared to H1 2015; ²% of sales revenues in H1 2016; basis points change when compared to H1 2015.

Key highlights in H1 2016:







Pro-forma Food:

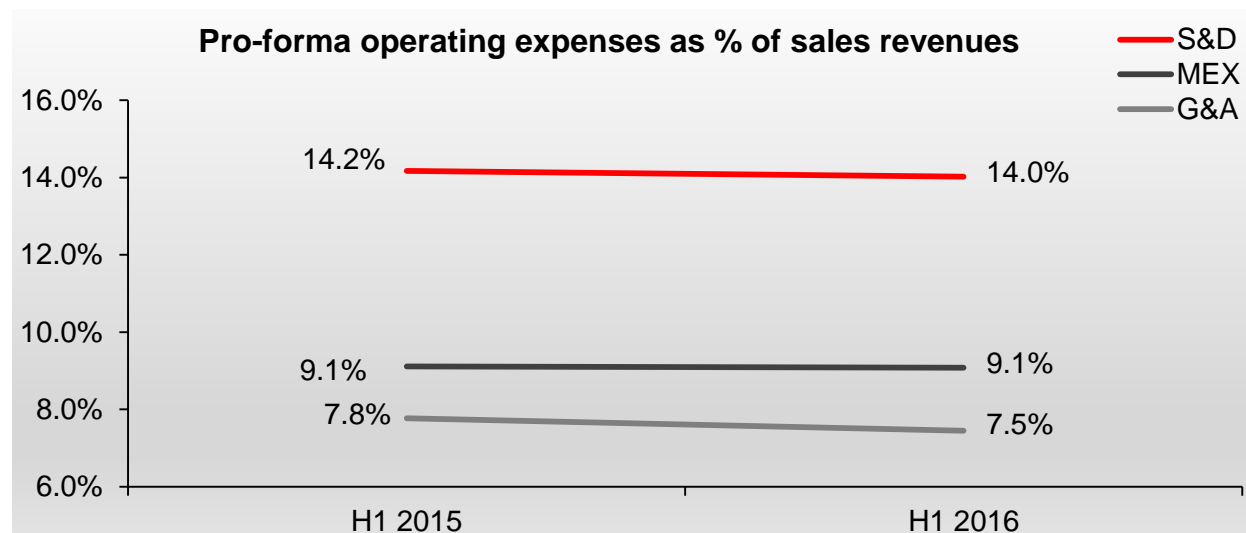
- Cost of goods sold on the level of comparable period due to the decrease in prices of certain raw materials,
- Operating expenses (excl. costs of goods sold) are 0.9% lower as a result of focus on cost optimisation,
- Lower net finance costs and tax liability,
- Comparable period under the positive influence of HRK 24.8m effect of Mirna consolidation.

Podravka Group:

- Decrease in prices of certain raw materials, the decrease in the distribution of trade goods in the pharmaceutical segment,
- 1.4% lower total OPEX (excl. cost of goods sold) due to the focus on cost optimisation and FX gains on trade receivables and payables,
- Lower net finance cost in H1 2016,
- Comparable period under the positive influence of HRK 24.8m effect of Mirna consolidation.

Positive impact of focus on cost optimisation and FX gains on trade receivables and payables

Operating expenses	H1 2016 / H1 2015 pro-forma
Cost of goods sold (COGS)	(0.1%) 
General and administrative expenses (G&A)	(3.0%) 
Sales and distribution costs (S&D)	0.1% 
Marketing expenses (MEX)	0.8% 
Other expenses	n/a 
Total	(0.5%) 



Key highlights in H1 2016 on the pro-forma level:

▪ **Cost of goods sold (COGS):**

- 0.1% lower COGS due to a decrease in prices of certain raw materials and the decrease in the distribution of trade goods in the company Farmavita,

▪ **General and administrative expenses (G&A):**

- 3.0% lower due to, among other things, lower cost of consultancy services and other expenses,

▪ **Sales and distribution expenses (S&D):**

- At same level as in the comparative period, with the positive impact of the optimisation of rental expenses and transportation costs,

▪ **Marketing expenses (MEX):**

- Stronger marketing activities on the market of Russia and on New markets,

▪ **Other expenses:**

- Foreign exchange gains on trade receivables and payables in H1 2016 have positively affected the result,

▪ **Total operating expenses (all OPEX excluding COGS):**

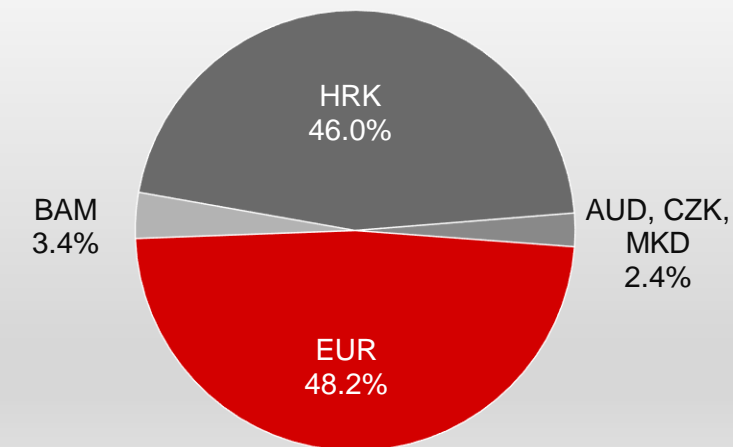
- Total OPEX lower by 1.4% as a result of focus on cost optimisation and FX gains on trade receivables and payables.

Sustainable level of indebtedness after the Žito Group acquisition

(u HRK 000) ¹	H1 2016	2015	% change
Net debt	1,022,108	922,380	10.8%
Interest expense	36,186	36,918	(2.0%)
Net debt / EBITDA	2.1	2.0	5.0%
EBITDA / Interest expense	13.7	12.7	7.7%
Equity to total assets ratio	58.2%	57.0%	+127 bp

¹All P&L figures are calculated on the trailing 12 months level, while BS figures are taken at the end of period.

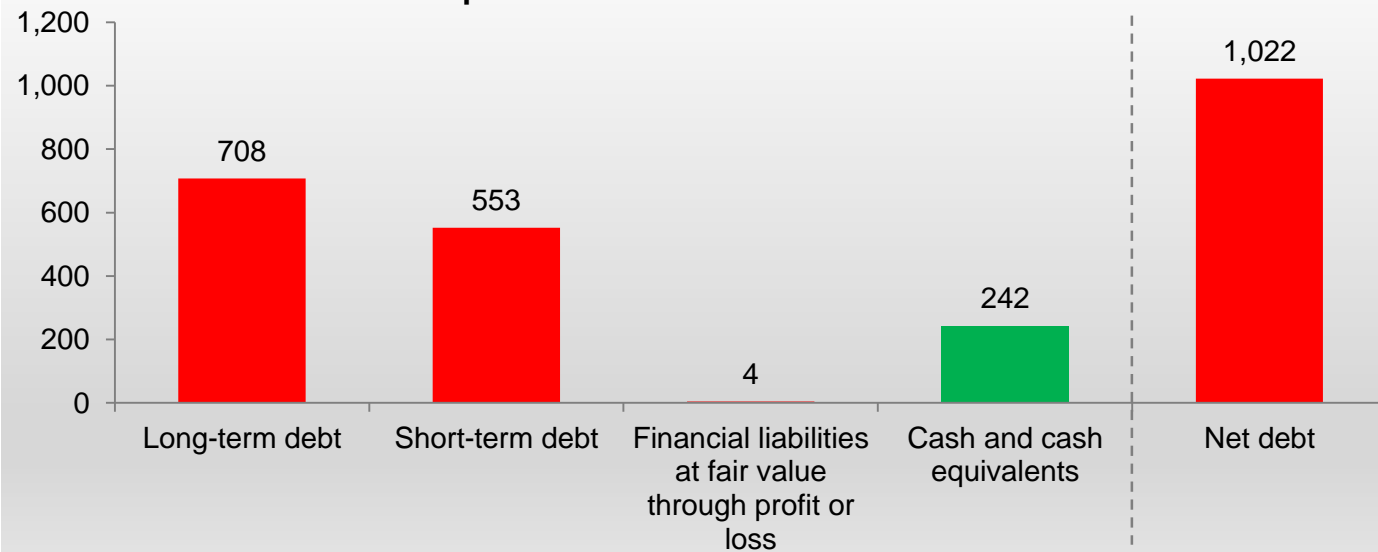
Currency structure of debt as at 30 June 2016



Key highlights:

- Net debt growth → use of long-term borrowings for the purpose of the new pharmaceutical factory construction,
- Lower interest expenses → repayment of a part of borrowings,
- Net debt/EBITDA calculated with the 2015 pro-forma EBITDA, excluding gain from Žito bargain purchase and Žito impairment is 2.1,
- Weighted average cost of debt:**
 - As at 30 June 2016 → 2.9%,
 - As at 31 December 2013 → 4.3%.

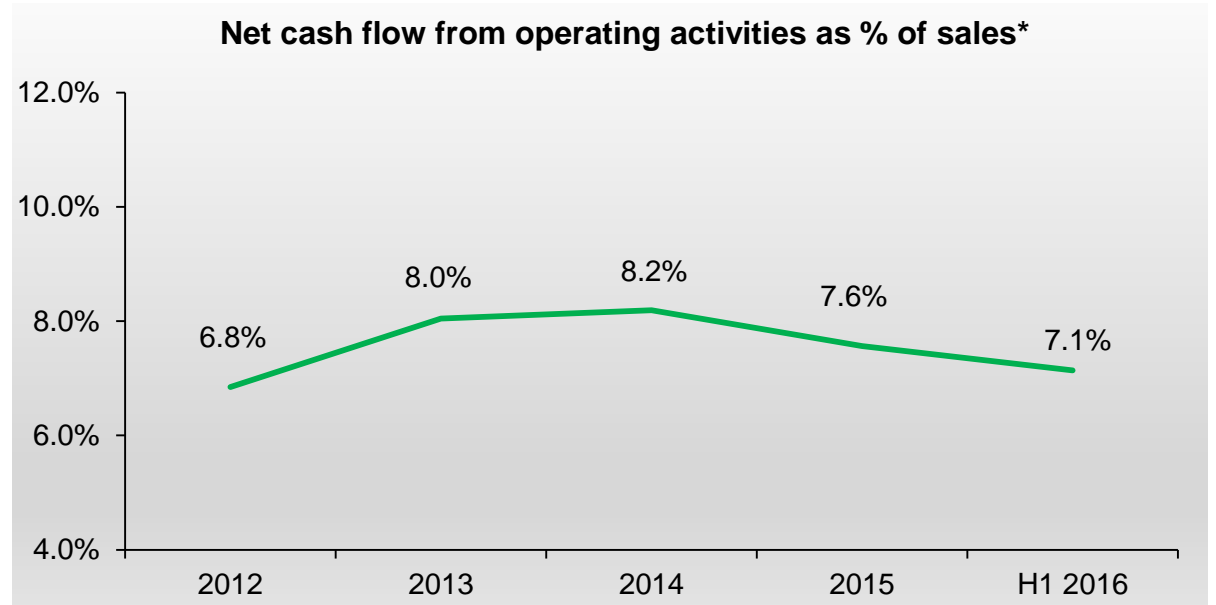
Net debt components in HRK million as at 30 June 2016



Stable level of net cash flow from operating activities

Key highlights in H1 2016:

- Net cash flow from operating activities → HRK 142.0m → positive impact of lower inventories and receivables, negative impact of lower payables,
- Net cash from investing activities → HRK -235.6m → mostly as a result of HRK 223,1m CAPEX,
- Net cash from financing activities → HRK 44.0m,
- CAPEX in 2016 is expected to be at the level of HRK 500 - 600m, in 2017 at the level of HRK 300 - 400m, and in 2018 at the level of HRK 250 - 350m.



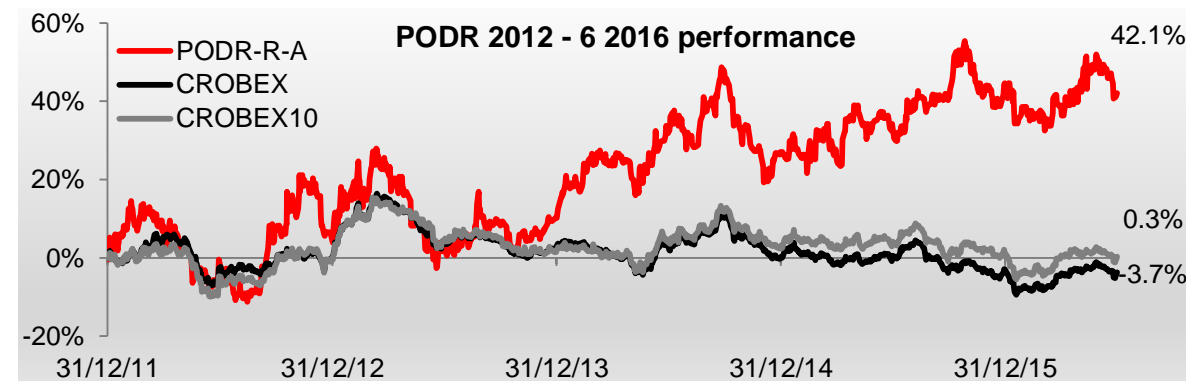
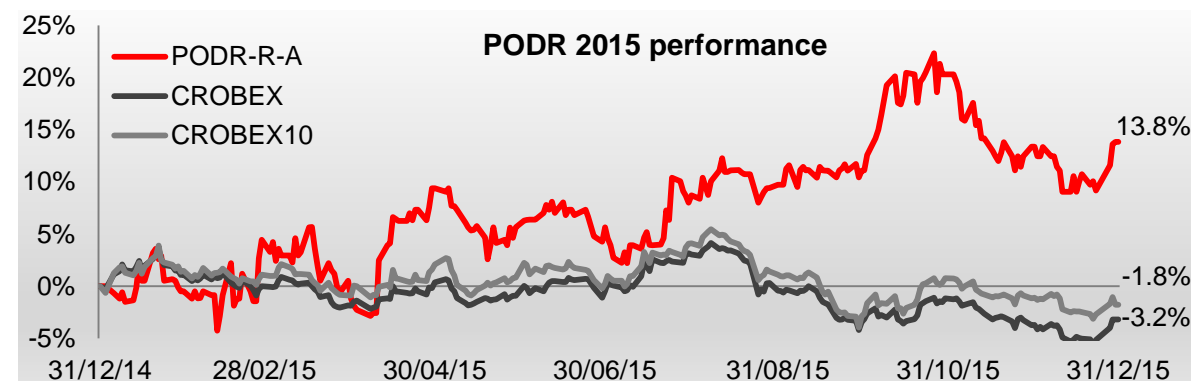
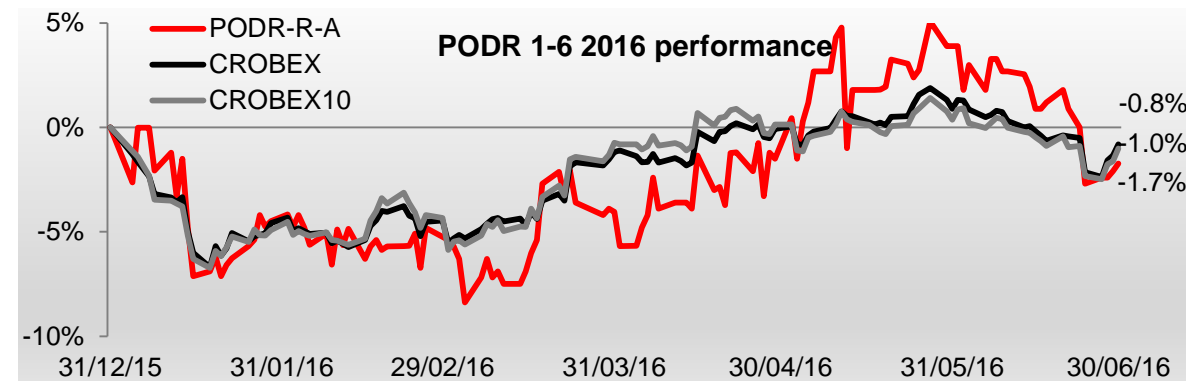
*Sales in 2012-2014 period have not been reclassified for marketing expenses.

Analyst expectations imply potential for Podravka's share price growth

(HRK; units)	H1 2016	H1 2016/ H1 2015	2015 / 2014	2014 / 2013
Average daily price	329.2	7.5%	7.4%	16.3%
Average daily number of transactions	9	(28.4%)	(9.1%)	39.6%
Average daily volume	1,064	(24.8%)	11.3%	105.4%
Average daily turnover	350,165.6	(19.1%)	19.6%	134.2%
Reported earnings per share	59.0	(11.1%)	276.9%	38.8%
Adjusted earnings per share ¹	24.8	8.1%	31.6%	(8.8%)

¹Calculated on the trailing 12 months level, where pro-forma figures for 2015 were taken, excl. Gain on a Žito bargain purchase, Žito impairment and deferred tax assets.

Analysts	Recommendation	Target price	Potential ²
 InterCapital	Buy	HRK 364.78	9.7%
 Raiffeisen BANK	Hold	HRK 353.00	6.2%
 ERSTE Group	Accumulate	HRK 355.00	11.3%
 UniCredit	Buy	HRK 398.96	20.0%
 WOOD & COMPANY	Hold	HRK 371.00	11.6%





Podravka Inc. 2016 General Assembly

22 July 2016, Koprivnica.

