



CORPORATE COMMUNICATION

Koprivnica, 26th September, 2016

MEDIA RELEASE

Podravka breaks records at vegetable factory Kalnik

Owing to high quality raw materials, final products are of supreme quality

After its production lines were modernized, Podravka's vegetable factory Kalnik achieves growth in almost all processed categories, which resulted in increased production plan for the entire factory by 14 percent comparing to the year before. Daily between 110 and 130 tons of raw material is being processed, and record processing is expected in ajvar production, as the plan is to process 6000 tons of bell peppers. Ajvar production is currently organized in four shifts, through all seven days of the week, in order to process as much of bell pepper as possible for ajvar, Podravka's most popular product in the processed vegetables category, which is increasing its sales and representation on various markets around the world.

As for other types of vegetables, beetroot and pepper fillets, the production is organized in two or three shifts, while peas processing is completed, and cucumbers processing is drawing to an end. A total of 500 tons of peas was processed from own production in the vicinity of Koprivnica, while a total of 1,700 tons of cucumbers will be processed. Up until now 950 tons of beetroot was processed, along with 830 tons of bell peppers for ajvar, 90 tons of egg-plant and 75 tons of mild and hot long peppers.

For the purposes of processing in Kalnik Factory in Varaždin, Podravka primarily cooperates with family farms and small homesteads, and organization is covered by production organizers. Peas are from own production, beetroot is apart from own production provided by manufacturers from the vicinity of Varaždin, while other raw materials are being procured mostly from NorthWest and East Croatia. Owing to favourable weather, all the raw materials processed



CORPORATE COMMUNICATION

so far were of exceptional quality, which resulted in supreme quality of finished products.

Recent modernization of the Kalnik factory Podravka financed partially from funds of "Rural development program in the Republic of Croatia" for the first part of the project „Modernizing vegetable processing factory“. About 6.2 million HRK paid present 50 percent of the total investment value. Majority of the project refers to replacement of old equipment on sterilized vegetable line, line modernization and increasing safety standards of the finished product. This new line provides production capacity increase by 30 percent, reduces the consumption of energy sources and water and enables part of outsourced production to be returned to the factory, as well as development of new products. One of the most modern and the safest production lines was achieved by installing an optical sorter on raw materials inspection and so-called x-ray on finished product control.

Kalnik factory Varaždin was integrated in 1967 in the Podravka system, and next year it celebrates its 50th anniversary of working under Podravka umbrella.