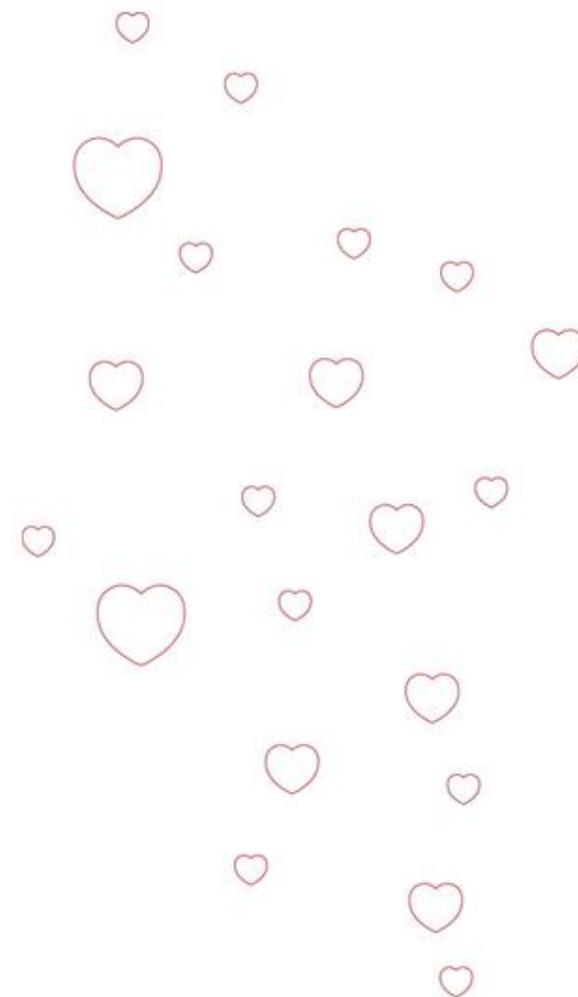


# Podravka Group

SEE Regional Capital Markets Conference  
21 May 2009, Belgrade



# Content

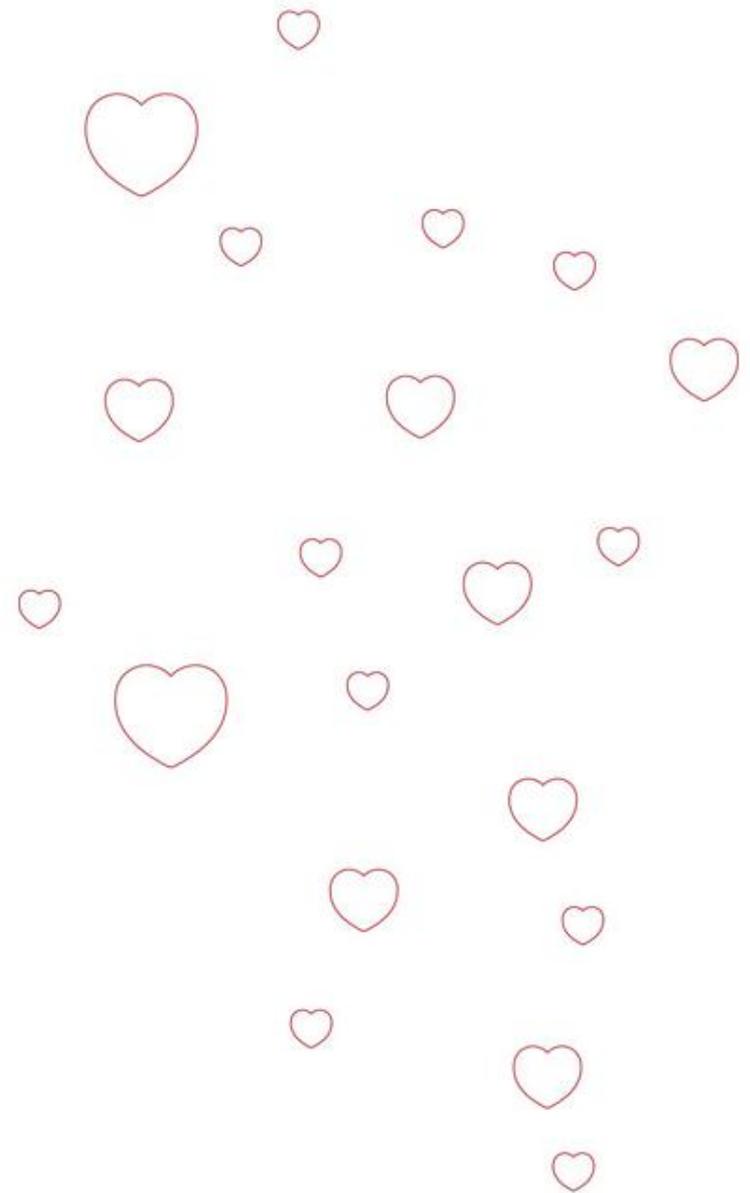
Overview

Sales

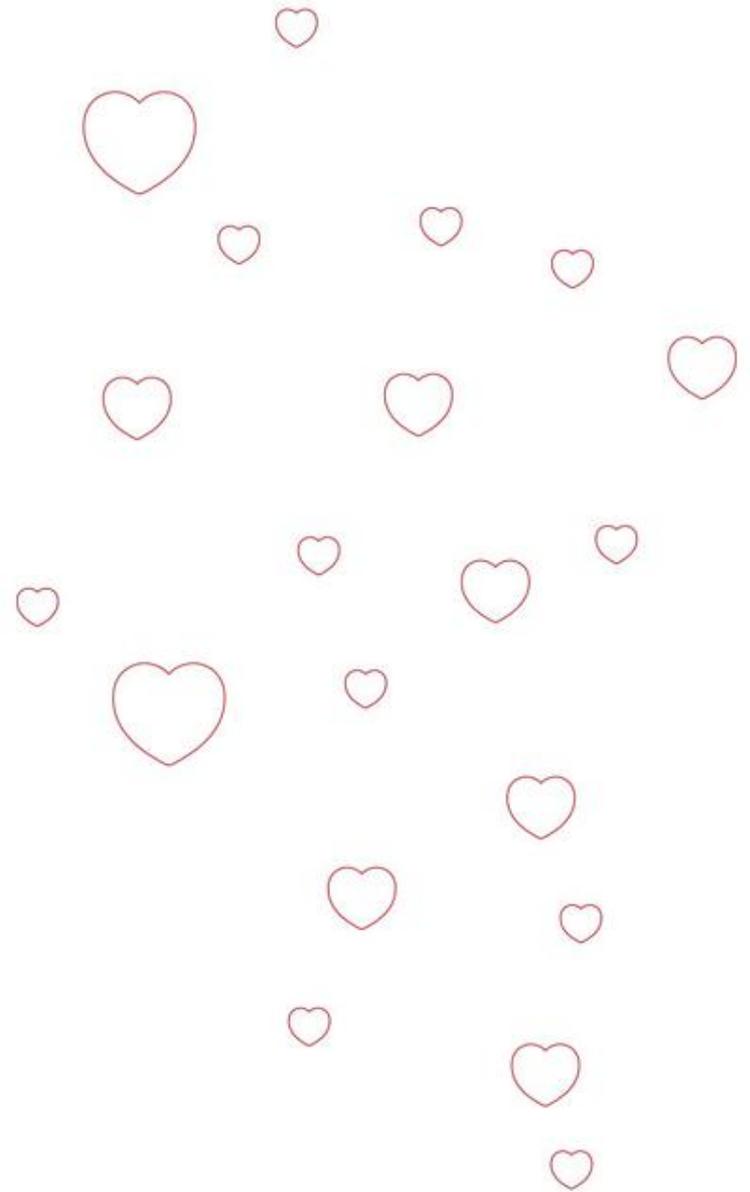
Business results

Share performance

Business priorities



# Overview



# Overview

## One of the largest branded food companies in the region

- large brand portfolio
- international Superbrands

## Podravka in Croatia

- the largest food company
- 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, Hainz & Deit

6,761 employees

♥ SAD



♥ Australia

# Strategic Business Areas (SBA)

**STRATEGIC BUSINESS AREA**

**Food and beverages**

**Pharmaceuticals**

**Services**

**BUSINESS PROGRAM**

Food	Food seasonongs	Meat	Beverages
Podravka dishes Baby food Sweets & snack Fruits & vegetables Side dishes Fish & fishery products Frozen food	Universal Special Meal makers	Canned meat Sauces Sausage products Paté	Mineral water Spring water Ice tea Juice Syrup Instant beverage Tea

RX	OTC	Pharmacies
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 drugs Food supplement Herbal products	

Process of restructuring
Catering



# SBA Food and Beverages



- Podravka offers a wide range of high quality, safe and practical products, created by following modern technological processes from the best raw materials and by preserving nutrients
- business processes have been systematically organised according following standards:
  - **ISO 9001** (Quality Management System)
  - **ISO 14001** (Environmental Management System),
  - **ISO 22 000** (Food Safety Management System)
  - **OHSAS 18001** (Occupational Health & Safety Audit System)
  - **HACCP** (Hazard Analysis Critical Control Points)
- other standards and regulations concerning the food industry and its markets: **IFS** - International Food Standard, **BRC** - British Retail Consortium, **NSF**, **Halal**, etc.



# SBA Pharmaceuticals



- Belupo develops, improves and produces drugs on recipes, non-recipe products, cosmetics and products for hygiene by applying the latest methods that are used in the world
- system of quality is based on solid production praxis in accordance with Croatian and American legal system
- all raw material, as well as packing material, are obtained by authenticated and certificate suppliers and are tested according to the most rigid pharmacopoeia demands and the testing is being done according to the prescribed, valid analytic procedure in highly equipped laboratories – settled and organised according to the demands of good laboratory praxis

**BELUPO**

**NEOFEN<sup>®</sup>**  
tablete

**LUPOCET<sup>®</sup>**  
paracetamol

**FARMAVITA**

tablete  
**BELODIN<sup>®</sup>**  
loratadin

**HERPLEX<sup>®</sup>**

**LUBORETA<sup>®</sup>**  
pivolicamum

**AMINFLUORID<sup>®</sup>**

**BEVITAL<sup>®</sup>**

**BELOSEPT<sup>®</sup>**  
hoksetidin

**FLOCETA<sup>®</sup>**

# Focusing on Podravka's strongest brands



**SOUPS, PODRAVKA DISHES, PROSESSED FRUIT AND VEGETABLE PRODUCTS, CONDIMENTS, TEA, MEAT, BAKERY PRODUCTS, FROZEN PRODUCTS**

Podravka is the synonym for top quality, convenient and safe products. All the products of the Podravka brand are a result of a long-established tradition, the knowledge of our experts and the care for the health and well-being of our customers.



**UNIVERSAL SEASONINGS**

Vegeta is the best known genuine Croatian product. It is a unique mixture of spices enriched with several kinds of dried vegetables.



**BABY FOOD**

Lino covers a wide range of baby food products distinguished by their superb quality and quick and easy preparation.



**CEREALS & SPREAD**

Products under the Čokolino brand taste like real chocolate, and high quality ingredients make them delicious, natural and nutritious.



**PHARMACEUTICALS**

Belupo is brand for quality and reliable products.

# Business activities

## 2008

- Belupo entered in pharmacy business
- Belupo took over the leading position in the sales of OTC painkiller drugs in Croatian market
- a strategic cooperation between Belupo and Farmavita
- new members of the Supervisory Board and the Management Board
- new organization of SBA Food & Beverages
- Podravka purchased brands Čoko and Čokolešnik
- continuous sales growth of Podravka brands

## 1Q2009

- acquisition of Belsad, a brand for marmelade and jam products
- establishment of a limited liability company in Turkey with headquarters in Istanbul
- growth in profitability
- production process optimization through efficient managing of human resources
- the total value of capital investments was HRK 19.1 million



# Capital investments



- Studenac factory**
  - reconstruction of central pump and refrigerate station
  - refrigerate equipment
- Coctails factory**
  - production line
- Information Department**
  - maintenance of SAP and servers
- Headquarters**
  - reconstruction of part of headquarters



- New plant for Lino children's food and cereals** (start of construction)
- Danica meat - processing plant**
  - production lines for goulash and ready-to-serve dishes
  - production lines for packaging and labelling of cans
- Acquisition of Eva brand**
- Belupo**
  - registration files



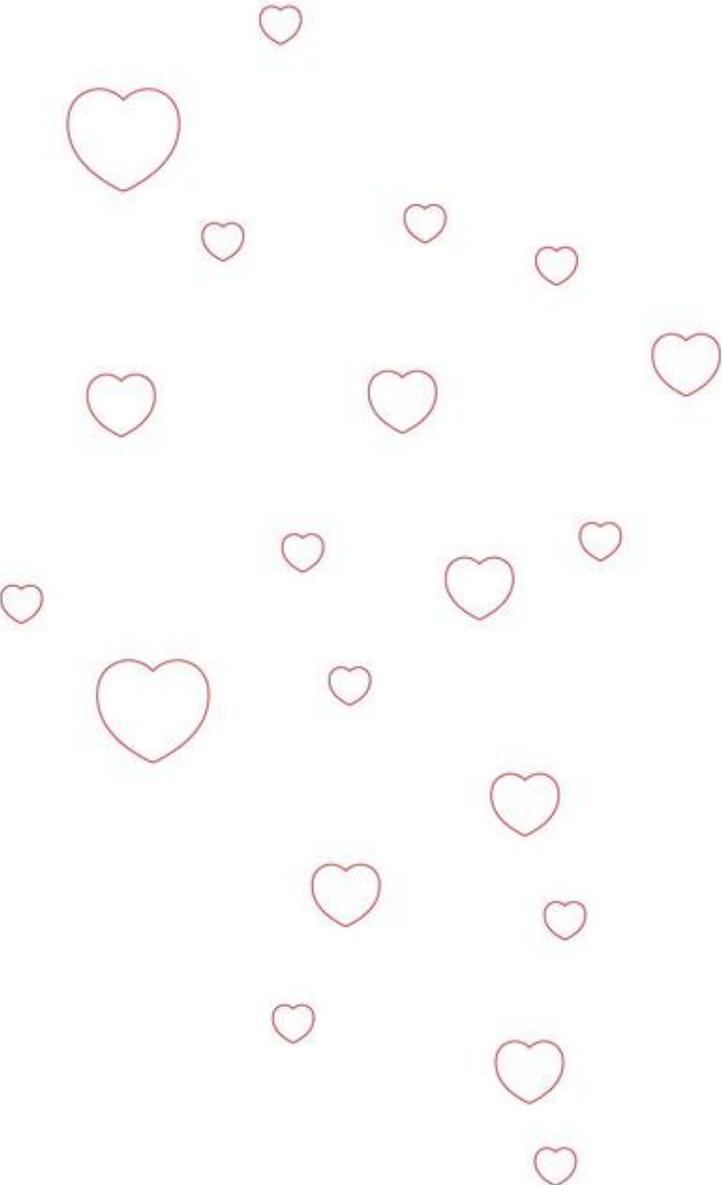
- New plant for Lino children's food and cereals** (start of production)
- Acquisitions**
  - brands Warzywko and Perfecta
  - brand Lero
- Belupo**
  - registration files and registrations
- Studenac factory**
  - production line for packaging
- Semi - industrial laboratory** (start of construction)



- Warehousing and distributing center in Dugopolje**
- Acquisitions**
  - Lero d.o.o., Rijeka
  - brands Čokolešnik and Čoko
  - Farmavita d.o.o.
  - pharmacies
- Rebranding of Studena**
- Belupo**
  - registration files



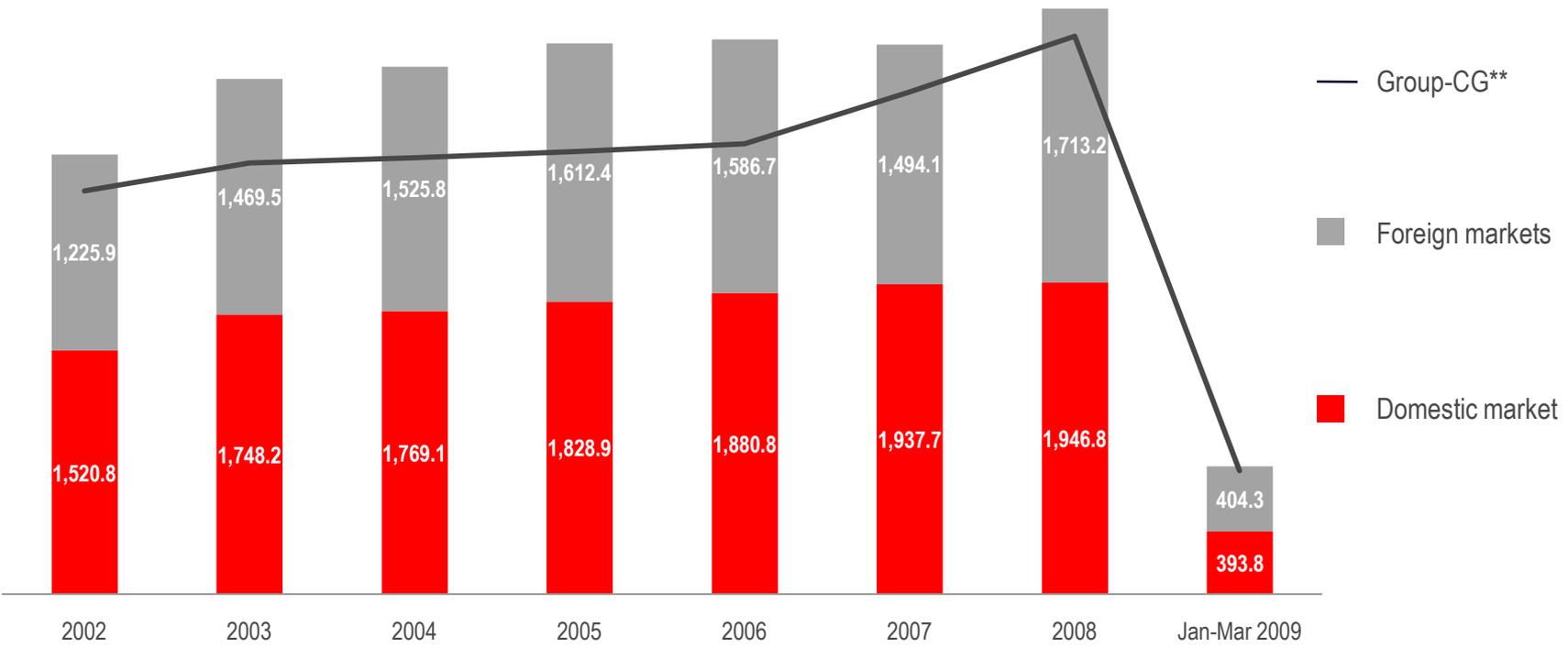
Sales



# Sales of the Podravka Group

Sales growth on domestic and foreign markets  
2002 – March 2009

HRK mn



<b>CAGR*</b> 2002 – 2008	4.2 %
Group-CG**	4.7%
Foreign markets	4.9%
Domestic market	3.6 %

\* Compound Annual Growth Rate

\*\*Group-CG Group without Commercial goods



# Sales per SBA Jan-Mar 2009

## SALES PERFORMANCE

### Podravka Group

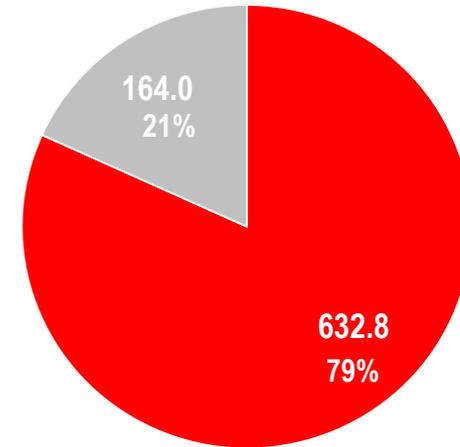
Group sales HRK 798.1 mn  
 Change (09/08) **+2%**

Food&beverages – CG HRK 603.8 mn  
 Change (09/08) **-3%**

Commercial goods (CG) HRK 29.0 mn  
 Change (09/08) **+6%**

Pharmaceuticals HRK 164.0 mn  
 Change (09/08) **+23%**

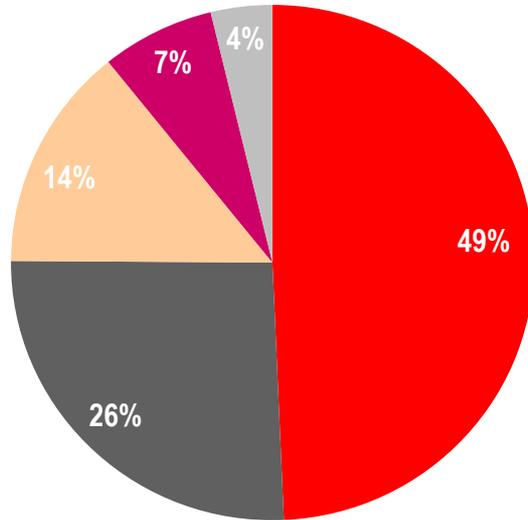
## Sales structure per SBA



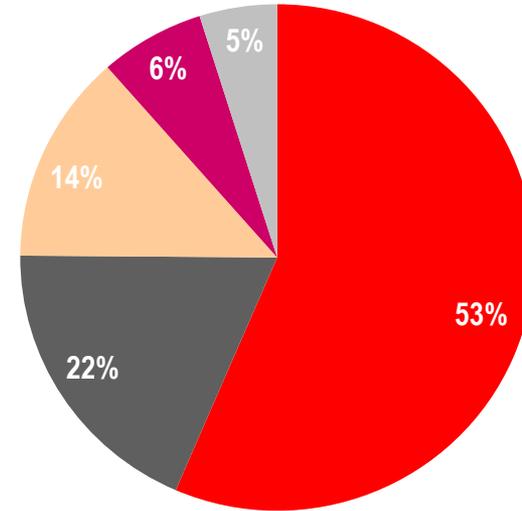
■ Food and beverages	<b>-2%</b>
■ Pharmaceuticals	<b>+23%</b>
■ Total	<b>+2%</b>

# Sales structure per markets

Sales structure per markets Jan-Mar 2009

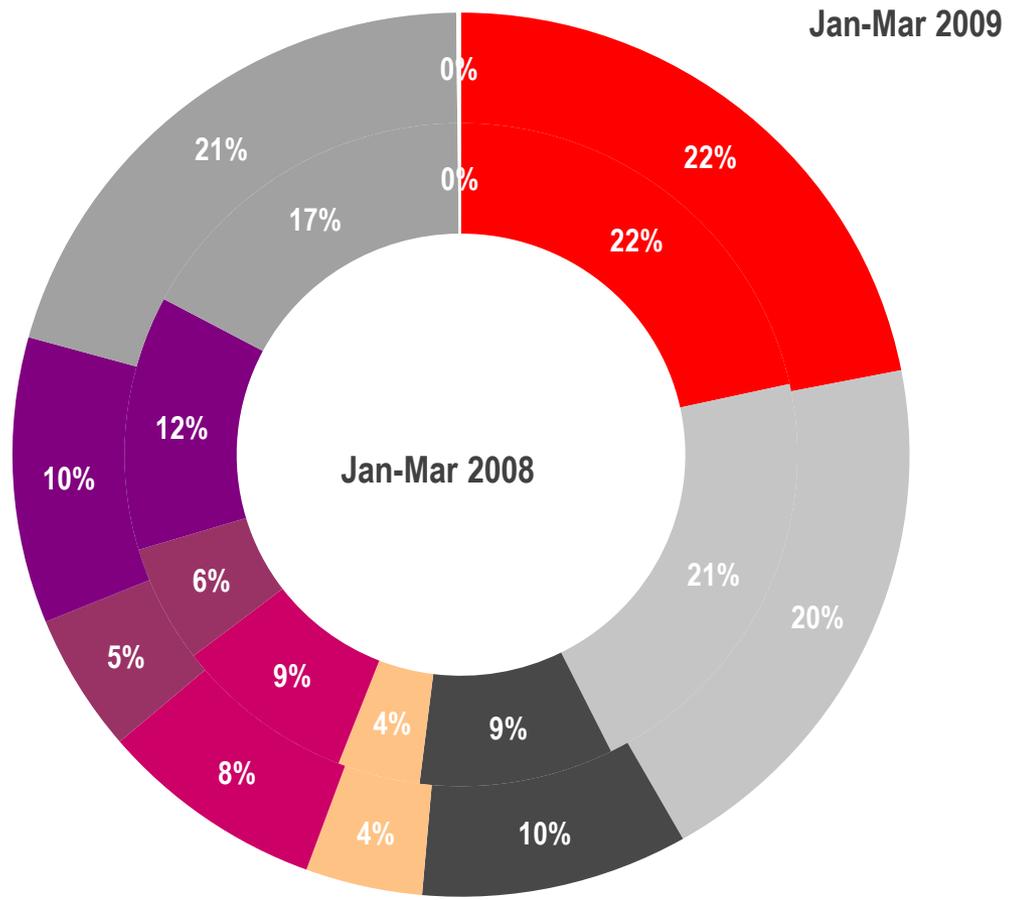


Sales structure per markets 2008

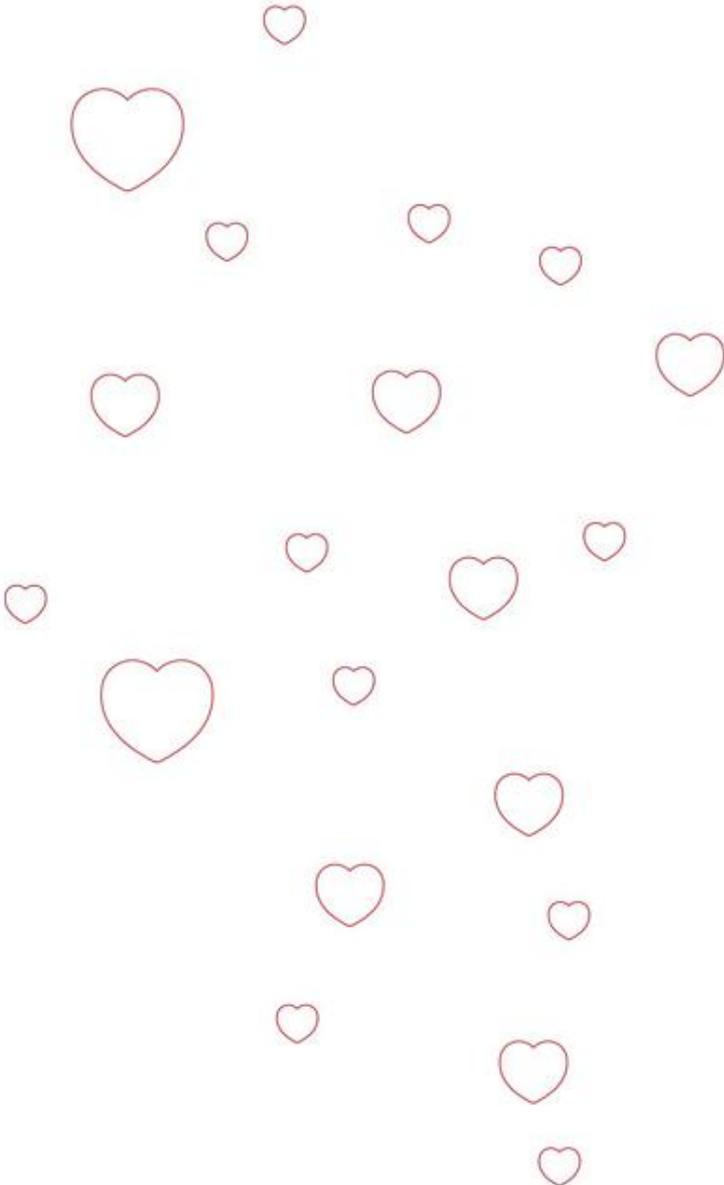


- Croatia
- South-East Europe (Bosnia and Herzegovina, Montenegro, Kosovo, Macedonia, Slovenia, Serbia)
- Central Europe (Czech Republic, Hungary, Poland, Slovakia)
- Western Europe, overseas countries & the Orient (Australia, Austria, Benelux, France, Canada, Germany, USA, Scandinavia, Switzerland,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

# Sales breakdown Jan-Mar 2009



# Business results



# Podravka Group business results for 2008

in millions of HRK

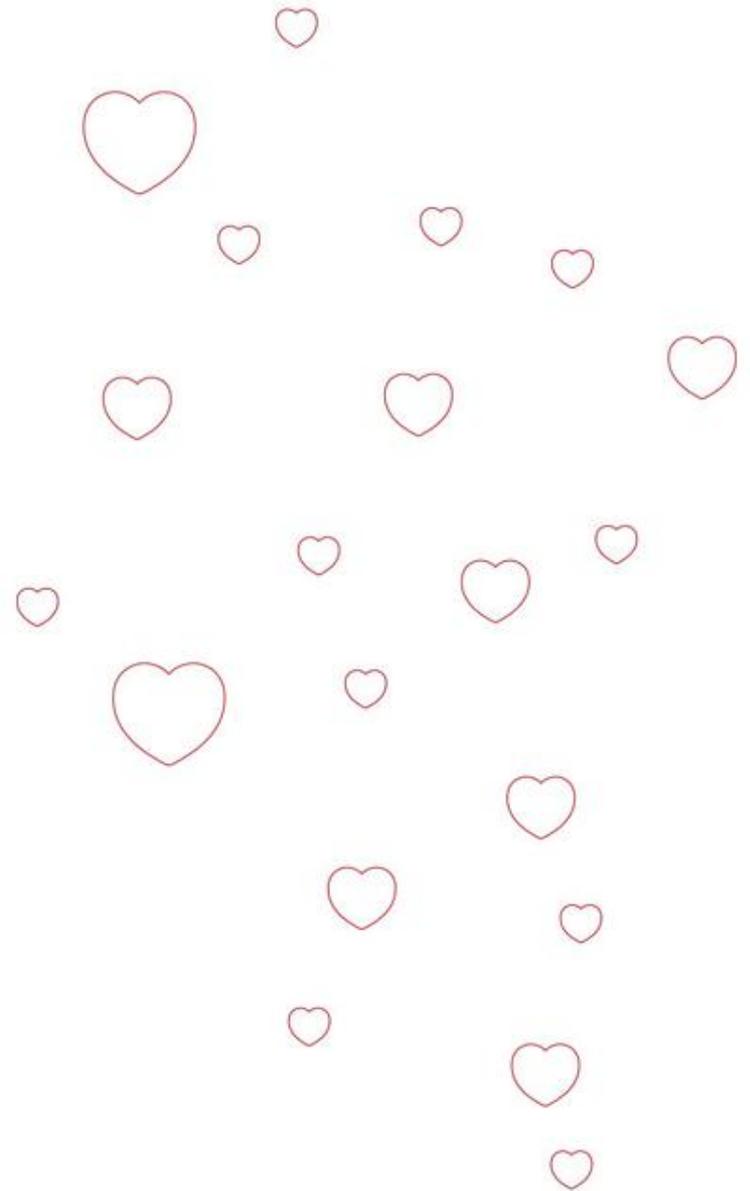
	Podravka Group			SBA Food & beverages			SBA Pharmaceuticals		
	2008	2007	08/07	2008	2007	08/07	2008	2007	08/07
Sales	3,660.0	3,431.8	7%	2,924.5	2,810.6	4%	729.0	614.3	19%
Gross profit	1,485.8	1,415.9	5%	1,063.1	1,038.3	2%	422.6	377.5	12%
EBITDA	318.5	255.8	25%	168.2	106.0	59%	150.2	149.6	0%
EBIT	158.5	92.3	72%	48.5	-23.6	306%	109.9	115.9	-5%
Net profit	44.6	18.3	144%	-27.6	-60.5	54%	72.2	78.9	-8%
Gross margin %	40.6	41.3	-70bp	36.4	36.9	-50bp	58.0	61.5	-350bp
EBITDA margin %	8.7	7.5	120bp	5.8	3.8	200bp	20.6	24.4	-380bp
EBIT margin %	4.3	2.7	160bp	1.7	-0.8	250bp	15.1	18.9	-380bp
Net margin %	1.2	0.5	70bp	-0.9	-2.2	130bp	9.9	12.8	-290bp

# Podravka Group business results for Jan-Mar 2009

in millions of HRK

	Podravka Group			SBA Food & beverages			SBA Pharmaceuticals		
	Jan-Mar 2009	Jan-Mar 2008	09/08	Jan-Mar 2009	Jan-Mar 2008	09/08	Jan-Mar 2009	Jan-Mar 2008	09/08
Sales	798.1	784.1	2%	632.8	649.0	-2%	164.0	133.8	23%
Gross profit	326.3	324.1	1%	244.1	244.4	0%	82.2	79.7	3%
EBITDA	93.8	71.2	32%	69.0	49.1	41%	24.8	22.1	12%
EBIT	53.5	34.1	57%	39.9	20.2	98%	13.6	13.9	-2%
Net profit	6.2	15.8	-61%	4.8	7.4	35%	1.4	8.4	-83%
Gross margin %	40.9	41.3	-40bp	38.6	37.7	90bp	50.1	59.6	-950bp
EBITDA margin %	11.8	9.1	270bp	10.9	7.6	330bp	15.1	16.5	-140bp
EBIT margin %	6.7	4.3	240bp	6.3	3.1	320bp	8.3	10.4	-210bp
Net margin %	0.8	2.0	-120bp	0.8	1.1	-30bp	0.9	6.3	-540bp

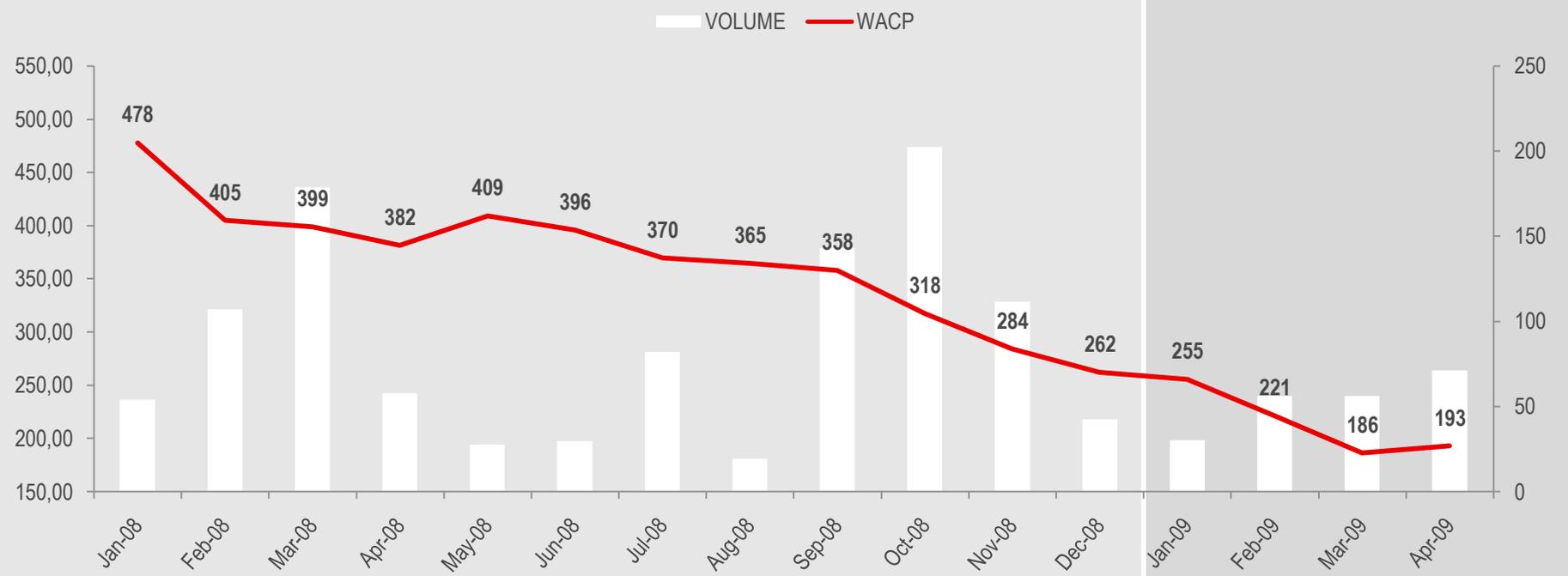
Share performance



# Share price and volume movement 2008 - April 2009

HRK

'000 pieces



	2007	2008	2008	Jan-Mar 2009
EPS	3.4	8.4	Close price	261.0
P/E	151.0	31.0	Highest price	514.0
BVPS	358.9	362.5	Lowest price	237.0
P/B	1.4	0.7	WACP	361.1
P/S	0.8	0.4	Turnover (HRK mn)	375.5
P/EBIT	30.0	8.9	Market cap. (HRK mn)	1,414.6
P/EBITDA	10.8	4.4		
				<b>182.9</b>
				<b>262.0</b>
				<b>176.0</b>
				<b>214.8</b>
				<b>30.2</b>
				<b>991.3</b>



# Comparative indices movement

January 2007 - April 2009 (1 Jan 2007 = 100)



## TICKERS / SYMBOLS

ZSE	PODR-R-A
BLOOMBERG	PODR CZ
REUTERS	PODR.ZA

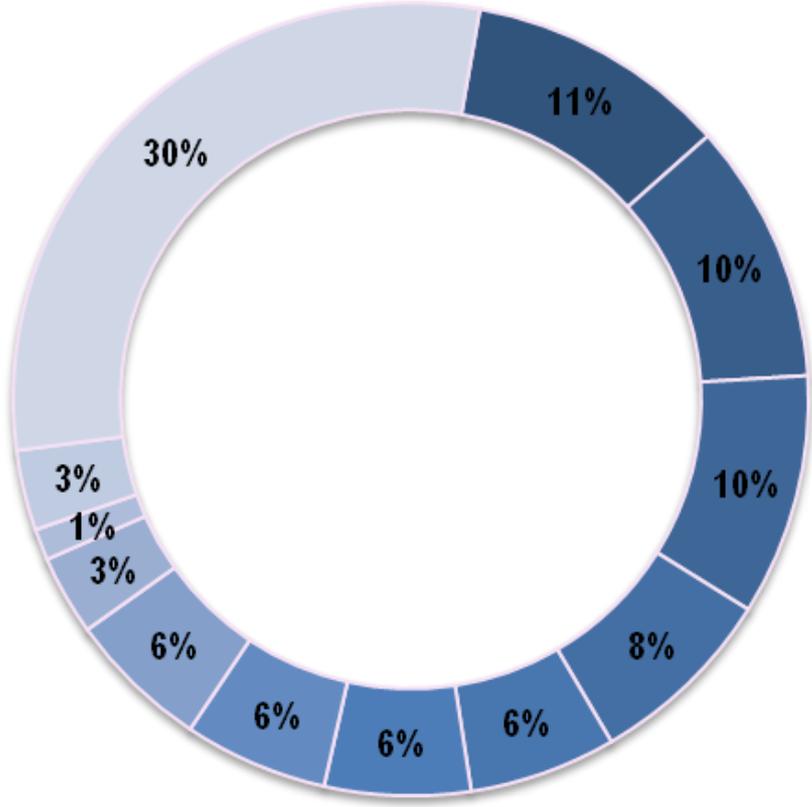
## INDEX WEIGHTING (04/05/2009)

CROBEX	4.97%
CROEMI	7.31%
CROX EUR	6.31%
SETX EUR	1.52%

## RECOMMENDATIONS

ERSTE	ACCUMULATE
FIMA	HOLD
HAAB	HOLD
RBA	HOLD

# Shareholders structure as of 30 April 2009



▶ TOP 10 66.89%

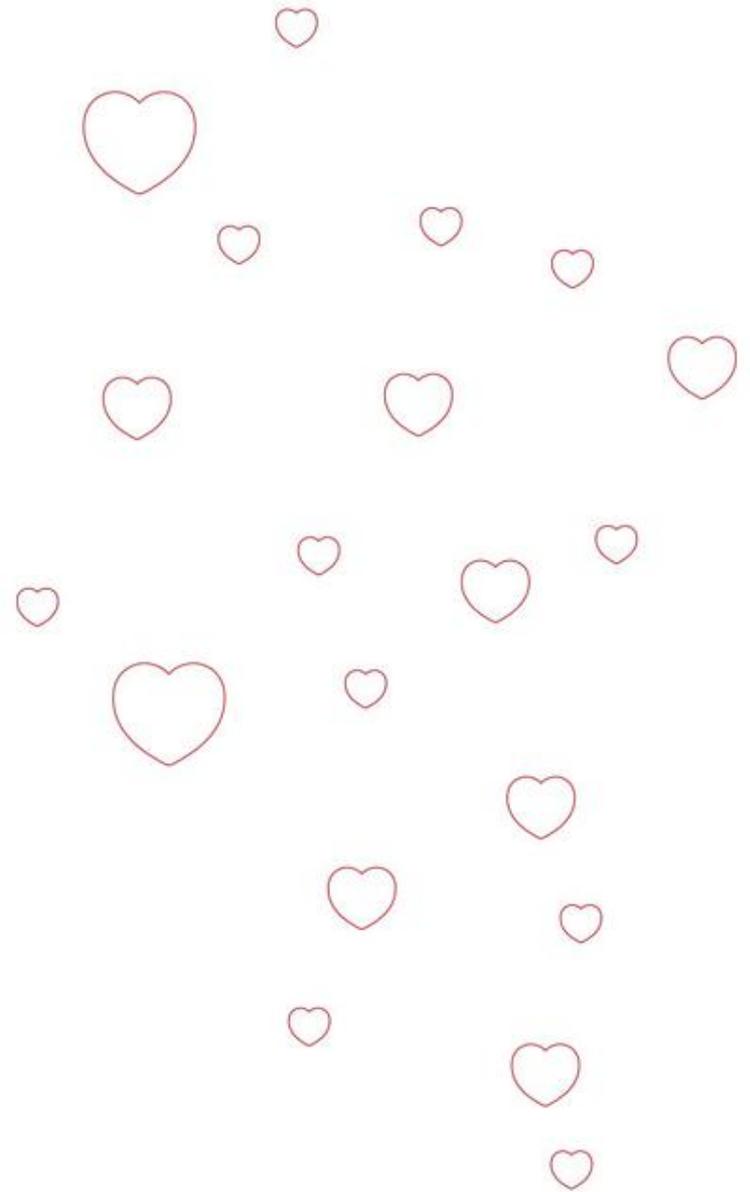
▶ other legal and natural persons 33.10%

■ FIMA AMI LTD	576,880
■ CPF/CIPI	575,598
■ CPF	533,476
■ UNICREDIT BANK AUSTRIA AG	417,741
■ AZ MPF	324,291
■ KAPITALNI FOND D.D.	321,804
■ PBZ CROATIA OSIGURANJE D.D. MPF	317,610
■ ERSTE PLAVI MPF	312,408
■ RAIFFEISEN MPF	176,512
■ SLAVONSKI CLOSED END FUND D.D.	69,433
■ TREASURY ACCOUNT	177,511
■ OTHERS	1,616,739
<b>Total</b>	<b>5,420,003</b>

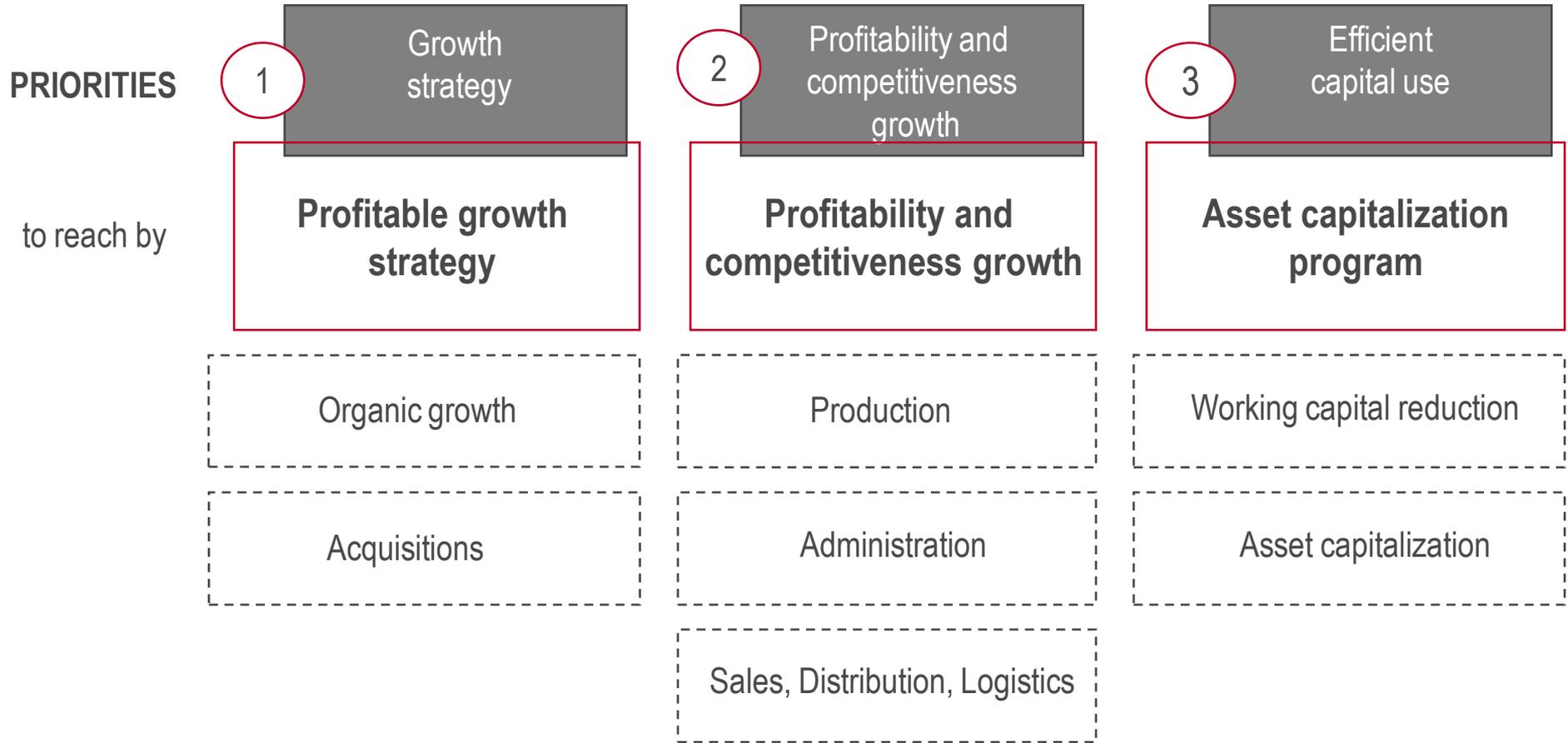
CPF (Croatian Privatization Fund), CIPI (Croatian Institute for Pension Insurance), MPF (Mandatory Pension Fund)



Business priorities



# Business priorities by 2011



Always with a heart

