



GENERAL ASSEMBLY

No. GS-1-6-2013
Koprivnica, 20th June 2013

Pursuant to Article 275 and Article 349 of the Companies Act (Official Gazette No. 152/11-full text, 111/12 and 68/13), the General Assembly of PODRAVKA Inc. held on 20th June 2013 passed the following

DECISION

on Simplified Reduction of the Company Share Capital due to the loss coverage

1. The company Podravka Inc. is entered in the court register of Commercial Court in Varaždin under Entrance Code Number of Subject No 010006549, OIB:18928523252 (hereinafter: the Company). The share capital of the Company is paid in full and amounts to HRK 1.626.000.900,00 (in words: one billion six hundred twenty-six million and nine hundred), divided in total of 5.420.003 (in words: five million four hundred twenty thousand and three) ordinary shares, each in nominal amount of HRK 300,00 (in words: three hundred).
2. The loss of the Company for 2012 as stated by Annual Audited Financial Statements on 31st December 2012 amounts HRK 20.690.808,64 and the accumulated loss of the Company from previous period amounts HRK 511.133.833,40, so that the total loss of the Company as of 31st December 2012 amounts HRK 531.824.642,04 and KPMG Croatia Ltd, the Company's auditor, confirmed by its Report and opinion such total amount of the loss as of 31st December 2012, by which the preconditions stipulated under Article 349 of the Company Law for the decision on simplified reduction of the Company share capital have been met.
3. The portion of the loss for 2012 in amount of HRK 7.932.559, 53 is covered against legal and other Company reserves.
The remaining amount of loss for 2012 in amount of HRK 12.758.249,11 and amount of the accumulated loss from previous period of HRK 511.133.833,40, respectively the total loss of the Company of amount HRK 523.892.082,51, is covering by simplified reduction of the share capital.
4. The share capital of the Company shall be decreased only for purpose of covering the remaining part of the loss for year 2012 and the accumulated loss from previous period, with the position on date 31st December 2012, and after that all accumulated profit from previous period and reserves of the Company have been exhausted for the loss coverage.



GENERAL ASSEMBLY

5. The simplified reduction of the Company share capital shall be made by decrease of the nominal amount of the ordinary shares so that the nominal value of HRK 300,00 (in words: three hundred), is decreased by amount of HRK 100,00 (in words: one hundred), to nominal value of HRK 200,00 (in words: two hundred) per share, respectively, the simplified reduction of the share capital amounts HRK 542.000.300,00 (in words: five hundred forty two million and three hundred).
6. The difference between the amount of the Company share capital reduction stated in point 5 of this Decision Proposal and the amount of the total loss being covered by such reduction of the share capital stated in point 3 of this Decision Proposal, in amount of HRK 18.108.217,49 shall be allocated to the capital reserves of the Company.
7. After simplify reduction of the share capital has been executed, the share capital of the Company amounts to HRK 1.084.000.600,00 (in words: one billion eighty four millions and six hundred) and is divided into 5.420.003 ordinary shares, each share having nominal value of HRK 200,00 (two hundred).
8. The Management Board shall undertake all activities needed for the registration of the Decision of the Company General Assembly on simplified reduction of the Company share capital in register of Commercial Court in Varaždin as well as in Depository of Central Depository and Clearing Company Inc.
9. The share capital reduction becomes effective upon the registration of a Decision of the General Assembly on simplified reduction of the Company share capital in register of Commercial Court in Varaždin.
10. This Decision entries into effects on the date of being passed.

President of the
General Assembly

Hrvoje Matić