



SUPERVISORY BOARD

No. NO-92-4-2013
Koprivnica, 26 April 2013

Pursuant to Article 263, item 3, Article 280, item 3 and Article 300 c and d of the Companies Law ("Official Gazette" no. 152/11, - clear version and 111/12), the Supervisory Board of Podravka Inc., at its 92nd session held on 26th April 2013 accepted the

PODRAVKA Inc. SUPERVISORY BOARD'S REPORT ON PERFORMED SUPERVISION OF PODRAVKA Inc. MANAGING BUSINESS OPERATIONS IN 2012

This Report includes the period from 1st January 2012 until 31st December 2012.

The Supervisory Board of Podravka Inc. (hereinafter: the "Supervisory Board") according to its powers defined under the provisions of the Companies Law, the Articles of Association of Podravka Inc. Koprivnica and the Rules of Procedure of the Supervisory Board, has continuously supervised the business operations of Podravka Inc. in 2012 by making decisions and conclusions over thirteen sessions that have been held in 2012.

By supervising the business operations of Podravka Inc., the Supervisory Board discussed numerous issues regarding business operations of Podravka Inc. and its related companies in 2012 and has been regularly receiving the written reports by the Management Board.

The Supervisory Board appointed new members to the Audit Committee that held five sessions in 2012.

The Supervisory Board established the Remuneration Committee that held two sessions in 2012.

Members of Podravka Inc. Supervisory Board changed over 2012 as follows:

In the period from 1st to 17th January 2012 the Supervisory Board members were: Ljubo Jurčić – president, Karmen Antolić, Nikola Gregur, Miljenko Javorović, Petar Miladin, Dinko Novoselec, Dubravko Štimac, Petar Vlaić and Martinka Marđetko-Vuković – Supervisory Board members.

In the period from 17th January to 23rd February 2012 the Supervisory Board members were: Ljubo Jurčić – president, Dubravko Štimac – deputy president, Karmen Antolić, Nikola Gregur, Miljenko Javorović, Petar Miladin, Dinko Novoselec, Petar Vlaić and Martinka Marđetko-Vuković – Supervisory Board members.

In the period from 24th February to 15th March 2012 the Supervisory Board members were: Dubravko Štimac – president, Mato Crkvenac – deputy president, Karmen Antolić, Ivo Družić, Nikola Gregur, Petar Miladin, Dinko Novoselec, Petar Vlaić and Martinka Marđetko-Vuković – Supervisory Board members.

In the period from 15th March to 6th July 2012 the Supervisory Board members were: Dubravko Štimac – president, Mato Crkvenac – deputy president, Ivo Družić, Nikola Gregur, Petar Miladin, Dinko Novoselec, Petar Vlaić and Martinka Marđetko-Vuković – Supervisory Board members.

In the period from 6th July to 31st December 2012 the Supervisory Board members were: Dubravko Štimac – president, Mato Crkvenac – deputy president, Ivo Družić, Ivana Matovina, Petar Miladin, Dinko Novoselec, Milan Stojanović, Petar Vlaić and Martinka Marđetko-Vuković – Supervisory Board members.



SUPERVISORY BOARD

Having examined the management of business operations of Podravka Inc., the Supervisory Board established that Podravka Inc. acted in 2012 in accordance with laws, Articles of Association, acts of Podravka Inc. and resolutions of the General Assembly.

The Supervisory Board has examined, within legally proscribed term, the Annual Financial Statements of Podravka Inc. and Podravka Inc. and its related companies for the year ended 31st December 2012, together with the opinion of the independent auditor KPMG Croatia Ltd., Zagreb, Eurotower, Ivana Lučića 2a/17, which have been submitted by Podravka Inc. Management Board. The Supervisory Board determined that the Annual Financial Statements of Podravka Inc. and its related companies (Podravka Group Consolidated Statements) and of Podravka Inc., for the year ended 31st December 2012 were constituted in accordance with positions in business records of Podravka Inc. and its related companies, presenting correctly the assets and business positions of Podravka Inc. and its related companies. Pursuant to such findings, the Supervisory Board is compliant to the Annual Financial Statements for 2012 and Auditor's opinion, by which, pursuant to article 300d of the Companies Act, the Management and the Supervisory Boards determine the Company's Annual Financial Statements.

Constituent parts of the Annual Financial Statements of Podravka Inc. and its related companies for the business year ended 31st December 2012 are as follows:

1. Statement on Total Income
2. Statement on the Company's Financial Position
3. Statement on Changes in Equity
4. Statement on Cash Flow
5. Notes to Financial Statements
6. Annual Report on the Status of the Company.

The Supervisory Board has also examined the Management Board's Annual Report on business operations of Podravka Inc. and its related companies and on the Status of the Company for 2012, and determined that it present correctly and objectively the current business situation and the status of the Company. According to such findings, the Supervisory Board accepted the Management Board's Report on the Status of the Company for the business year 2012.

The Management Board presented to the Supervisory Board a Decision proposal on the loss coverage in 2012, establishing that Company loss in 2012 is HRK 20,690,808.64 and suggesting that a portion of the loss amounting to HRK 7,932,559.53 shall be covered against legal and other reserves, and that the remaining amount of HRK 12,758,249.11 shall be covered by reducing the Company's share capital.

The Supervisory Board complied with the suggested Decision proposal on the loss coverage in 2012 and proposed General Assembly to pass such Decision.

President of the
Supervisory Board:

Dubravko Štimac