



FOR GOURMENTS
only



CONTENTS ~ *Report 2001*

President of the Management Board	04
Management Report	08
Key Indicators	10
Profit Centers	16
Sustainable Development	34
Financial Reports	37
Supervisory Board Report	81
Supervisory Board Biographies	86
Share price Movements	88
<i>Podravka d.d.</i> Subsidiaries	91



1 cauliflower
1 Podravka vegetable cube
white pepper
celery (a few leaves)
parsley
salt

Take one head of cauliflower without any leaves and put it in cold water. Add salt, white pepper, a few leaves of celery and parsley. Add one Podravka vegetable cube and boil for 20 minutes at light heat.

CLEAR *cauliflower soup*

Vision:
Podravka
is going to be
a food company
operating on a
global market
satisfying the needs
of its customers
above their
expectations.

Dear stockholders, in the year 2001 Podravka was highly effective and during that previous year we were focused on preparing the basis which would enable further company development and growth. I would like to take this opportunity to stress the effort of Podravka's employees who have contributed, with their knowledge and their energy, to the success of our business operations.

Generally speaking, the previous year was marked by changes, which will have a significant influence not only to Podravka's business operations but also to all the companies in this region. Here I wish to emphasize the continuation of merger processes, and especially, the opening of a number of markets due to bilateral agreements, the membership of Croatia in the World Trade Organization, agreements such as EFTA and CEFTA, trade consolidation and further expansion of the food industry. Similarly, the opening of the Croatian market and the lowering of entry barriers for international companies and capital are also exceptionally significant facts that impose new challenges for Podravka, but also open new possibilities.

Although Podravka anticipated all these changes and responded accordingly, our activities in 2001 were, in great deal, focused on adjusting to the new business circumstances and conditions, and on establishing a firm basis that would enable successful business operations in the future. In the year 2000 we started elaborating a new vision, mission and strategy, and in 2001 we defined and articulated them. With the aim of actualizing the strategy, during May we implemented a new organization based on eight profit centers characterized by transparency, a simple hierarchy scheme that enables rapid decision making and clear allocation of business responsibility. I am convinced that the new vision, mission and strategy, along with the organization implemented to carry out the strategy, will show prominent results in the forthcoming year to the great satisfaction of stockholders, employees and the public in general. Besides this, following the merger processes and the opening of new markets, we insisted on spreading activities to international markets, in the countries of CEE, and opening new

markets. If we take into account that the organic growth average for the food industry ranges between 2.5 and 3%, Podravka's growth of 7 % on international markets is a good indicator that Podravka's Management is on the right track. It is important to emphasize that Podravka was the first to register its company in Yugoslavia and that this very market represents one of Podravka's most promising markets. In addition, we have opened branch offices in Kiev for the Ukraine market, as well as in Riga, which will cover countries of the Baltic region ~ Latvia, Lithuania and Estonia, and a branch office in Skopje, that is responsible for the market of Kosovo.

In 2001, Podravka was highly effective in achieving a growth of 4% in relation to the previous year. On international markets a growth of 7% was achieved, and the same is expected for markets of the middle, east and southeast of Europe. The growth on the Croatian market was 2% in 2001, which we consider to be satisfactory. Namely, a few facts are to be taken into account, such as that Podravka in many categories has high market shares, or that the Croatian market became open last year, and that competition on shop shelves grew stronger. However, if we do not take into account two~years revenue from Ferrero and Kvasac products, we can see that a growth of 10% on the international, and 5% on the Croatian market was achieved. For the previous year we announced acquisitions of food companies in the region we work in, but they were not accomplished due to a combination of circumstances. Although we performed all the activities necessary for these acquisitions the legal matters in the countries we planned the acquisitions were not settled in due time, as we hoped and anticipated. However, as soon as the conditions allow it, Podravka is ready to take over food companies in the region and I do not have any doubts that in the next year Podravka will accomplish some of the planned acquisitions. Nevertheless, Podravka's results on international markets show that the Management not only excellently estimated and achieved the growth potentials in these countries, but also that the middle, east and south-east

European markets are capable of further growth ~ both, organic and through acquisitions.

The encouraging growth and sales results in Poland of 13%, in relation to the previous year, Bosnia and Herzegovina with 18% in relation to 2000, the Czech market with 24%, the Russian with 24%, and a number of other markets like the Yugoslav, the American, etc., are arguments that support our plans for further expansion to other international markets. Besides this, Podravka is prepared to enter some new programs like frozen and half-frozen food. Namely, we estimated that it is a program with very high growth potential, and that at the same time we already have programs within our company that are capable to expand into these fields ~ fruit and vegetables, confectionery program, meat and meat products, and the igastroi program. Although we have defined several ways of entering this program, we hope that by the acquisition of a company which is already engaged in such activity we would shorten the time needed for entering the particular business, and I assure you that within the next year Podravka will be present in the frozen and half-frozen food category. All the preliminary activities have been performed and in the year 2002 we expect this to be realized.

Podravka's distribution network, which covers the area from the Adriatic to the North Sea, grew stronger in the year 2001, in a way that we started cooperation with well-known Croatian and international companies so now we distribute their products. Although we ended our cooperation with Ferrero and stopped distributing their products, we started business with a number of other companies. Here we refer to Kraš, whose products we distribute in Hungary, the company Adrian, for whose products we are the exclusive distributor for Croatia, and Ajinomoto, whose products we distribute in Poland. In addition, at the very moment we are in the middle of negotiations concerning the distribution of a number of very strong brands within Podravka's distribution network, and I am sure that this operation will be completed by the first half of 2002. Belupo d.o.o., our pharmaceutical company, also achieved flourish-

ing business results in this year, with 20% of the total revenue of the Podravka Group, achieved through the sales of humane medicine, which only confirms its significance within the Group. Similarly, it must be mentioned that Danica d.o.o., Podravka's meat company, achieved very good results in 2001, considering the losses in previous years. Considerable steps had been made in improving business efficiency, and if it had not been for foot and mouth disease, I am sure that the results would have been even better. On the other hand, in 2001, we continued focusing on the core food business and we sold the land, the building and the equipment for yeast production to the firm Kvasac d.o.o. Prigorje Brdovečko. Besides that, we sold our seaside resort in Pirovac to the Municipality of Koprivnica. This process the focusing on our primary business ~ food ~ will continue in the following year as well. There are some assets, which are not in the function of our core business, and we will try, as soon as possible, to find the best solution with the objective of achieving higher operative efficiency and making the most of our resources. Finally, on behalf of all Podravka's employees, I want to thank you on the trust you have shown by investing in Podravka. In this year we have set a firm basis for growth and development and initiated several ventures that will yield results as soon as the following year. The preconditions set in this year give me arguments to say that Podravka will grow and develop in 2002, innovate its processes and its assortment, and I also want to emphasize that Podravka will continue investing in the development of human resources. That is to say, knowledge and skills nowadays represent the basis for acquiring the competitive advantage of companies and are a true guarantee of success in the following period. Therefore, apart from the more than a hundred of Podravka's employees who have finished programs organized in cooperation with IEDC ~ Bled, we will continue investing in people and knowledge. This very basis, I assure you, will allow Podravka to operate successfully, to grow and develop in the forthcoming period.

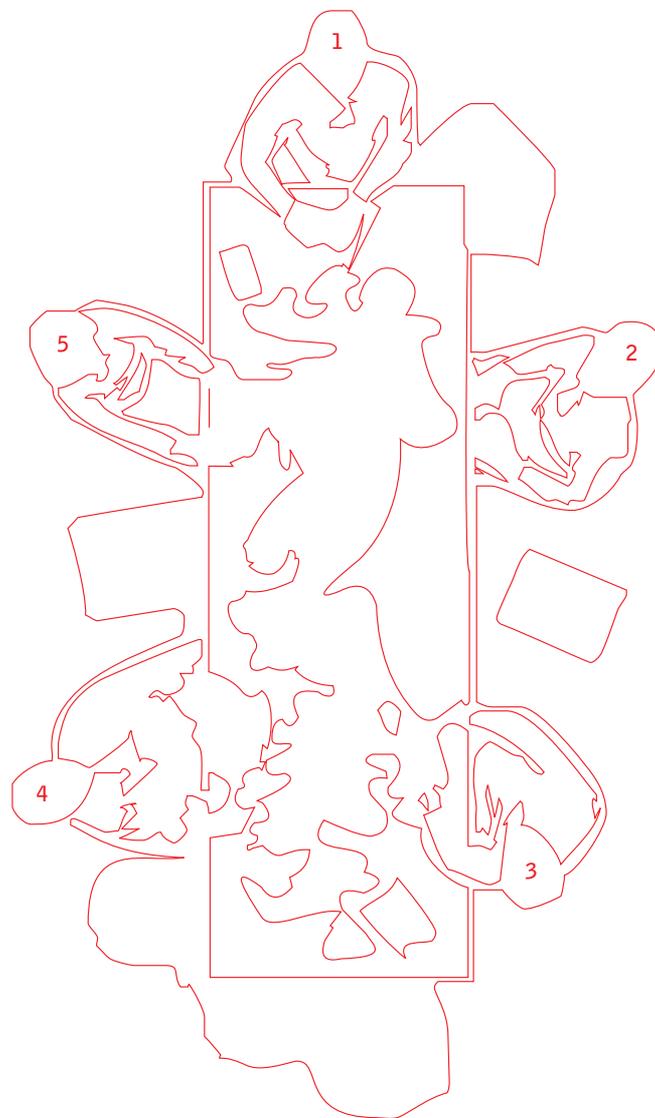
Mission:

Daily, we satisfy people's needs for high-quality and healthy nourishment offering new top quality products and solutions adjusted to the environmental changes. We believe that the understanding and foreseeing of the clients' and customers' needs enables establishing values, which will ensure prosperity to you, our employees, stock holders and the community we live and work in. Inventiveness, the wish for victory, teamwork, trust and focusing on real values, are the basis we build our success on.

DARKO MARINAC

President of the Management Board of Podravka d.d.

Members of the Management Board:
Darko Marinac, President (1)
Davor Cimaš (2)
Damir Polančec (3)
Željko Đurđina, Vice-president (4)
Nevenka Cerovsky (5)





The Board's Annual Report on the Podravka Group's business operations for 2001 and on the Company's current situation

PODRAVKA GROUP IN 2001

In the previous year the Podravka Group achieved a constant growth on the domestic market, and a particularly significant one on foreign markets

In the previous year the Podravka Group achieved a constant growth on the domestic market, and a particularly significant one on foreign markets

- :**GROWTH** Podravka's share price
- :**ACHIEVED** net income of 62 mil. HRK
- :**GROWTH** of sales of 4% in comparison to the previous year
- :**GROWTH** of sales of 7% on foreign markets
- :**44% INCOME** from sales on the international markets
- :**REGISTRATION** of trade companies in Romania and Yugoslavia
- :**STARTED** with work Podravka's trade branch offices in the Ukraine and in Skopje for the Kosovo region
- :**OPENED** a branch office in the capital of Latvia-Riga ; except for Latvia it covers the other two Baltic countries
- :**REDUCED** credit commitments
- :**SOLD** The Yeast Factory and Pirovac seaside resort
- :**ACCEPTED** the new organization, new mission, vision and strategy of Podravka
- :**SIGNED** the Business -Technical Cooperation Agreement with Microsoft
- :**CONTINUED** the implementation of SAP/R3 through further linking of international companies with the parent company
- :**MERGING** the companies in Hungary with the objective to strengthen Podravka's position on the Hungarian market
- :**GRANTED** ISO 9001 : 2000 certificate for Vegeta

THE BUSINESS RESULTS OF THE PODRAVKA GROUP FOR THE PERIOD JANUARY - DECEMBER 2001

In 2001 the Podravka Group achieved a revenue totaling 2,669.3-mil. HRK, 4% higher than the previous year. In the total revenue structure, product and service sales income covers 95%, financial income 3%, and other 2%.

SALES INCOME

In 2001 the Podravka Group achieved an income by the sales of products and services totaling 2,537.0 mil. HRK, 4% more compared to the previous year. On the domestic market a sales growth of 2% was recorded, while the foreign markets recorded a growth of 7% as well as a constant increase of share in the total sales value.

If we take into account the growth rate of world food companies, ranging from 3-3.5% per year, we can be satisfied with the accomplished growth.

SALES PER PRODUCT GROUP

The biggest share of 27.78% in the total sales structure belongs to Vegeta followed by pharmaceuticals 20.62%. The sales income from these groups accounts for almost half the income and their share in the structure gradually grows, which is, in terms of profitability, very positive. A considerable share in the income structure belongs to Podravka dishes (10.45%), meat and meat products (9.79%) and the confectionery program (9.66%). The biggest sales growth was achieved in the sales of beverages (index 112), mill and bakery products (index 120), Podravka dishes (index 112) and fruit and vegetables (index 112). Vegeta, the most significant group of products, recorded a sales growth of 9%.

SALES ON THE DOMESTIC MARKET

Sales on the domestic market totals 1,414.4 mil. HRK, 2% higher than in 2000, and represents 56 % of total sales. An increase of 2% had also been achieved in the previous year

(2000/1999), so we can say that, despite the problems encountered on the domestic market, we managed to grow. The success was achieved by better collection of receivables, and we were prepared for the entry of foreign retail chains and the concentration of domestic trade.

We responded to competition by widening our range of products, accelerating the process of business rationalization, stronger engagement on the point of sales and implementing marketing activities. Almost all the product groups recorded growth on the domestic market:

Beverages...	...28%
Mill and Bakery Products	...20%
Fruit and Vegetables...	...13%
Vegeta...	...10%
Podravka Dishes...	...05%
Pharmaceuticals...	...02%
Confectionery Program...	...01%

Satisfactory sales results of the mentioned product groups were lowered by problems concerning the placement of meat and meat products (foot and mouth disease and lowering the orders from the Ministry of Defense), breach of the contract with Ferrero in the middle of June 2001, and a partial income loss due to the sales of the Yeast Factory.

REVENUE FROM THE SALES ON FOREIGN MARKETS

Gaining new, and strengthening the presence on known markets are some of our priorities supported by a sales increase of 7% on foreign markets in relation to the previous year. The sales of Podravka products on foreign markets in 2001 reached 1.22.7 mil. HRK, which makes 44% of all the sales. The most important foreign market for Podravka is the Polish market with its share of 10.47 % of total sales and 23.67 % of foreign market sales. On this market the achieved sales amounted 265.7 mil. HRK, which is 31 mil. HRK more than in the previous year (index 113). This market is followed by the Slovenian market with the

achieved sales of 181.1 mil. HRK, where we record a sales decrease of 7% (breach of the contract with Ferrero). In Bosnia and Herzegovina the sales revenue reached 155.4 mil. HRK, 18% more than in the previous year. Although still with a small share in total sales, these markets recorded considerable growth: Russia-55% Germany -27%, the Czech Republic and Yugoslavia 24% each, and the USA-13%.

COSTS / EXPENSES

Total expenses in 2001 were 2,587.1 mil. HRK and are 5% higher than in the previous year. In the expense structure the cost of sold products reached 57.63%, sales and distribution costs 27.26%, general and administrative costs 10.63%, while financial expenses covered 4.48% of all expenses.

The costs of sold products amounted 1,490.9 mil. HRK, similarly as in 2000, although sales recorded a growth of 4%. Sales and distribution costs reached 705.3 mil. HRK and they increased 10% in relation to 2000. The reason for this growth is the teaming up of the sales force as well as the increase of transport costs.

Financial expenses reached 115.9 mil. HRK, consisting of interests (61.2 mil. HRK), losses due to exchange rate fluctuations (47.0 mil. HRK) and investment expenses (7.7 mil. HRK)

PROFITABILITY

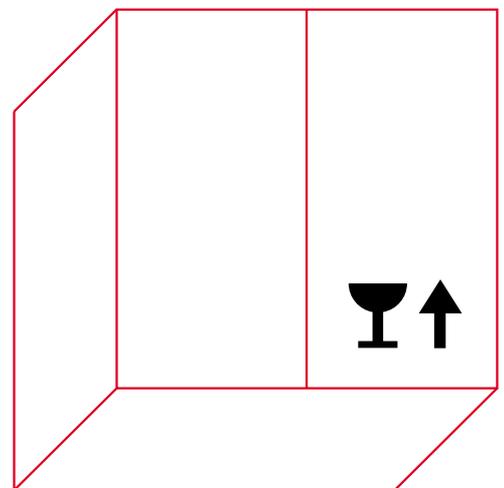
In 2001, the Podravka Group achieved a gross margin (the difference between sales revenue and costs of sold products) of 1,046.2 mil. HRK, which represents 41.2% of the sales revenue or about 100 million kunas more than in the previous year. The running profit reached 118 mil. HRK. Pre-tax profit amounted to 82.2 mil. HRK, but due to a considerable higher profit tax (as a result of good business results of Belupo d.o.o.), a net profit of 62 mil. HRK was achieved.

Development

World eating trends and new nourishment perceptions are daily being implemented in Podravka's production program.



KEY indicators



STRUCTURE OF INCOMES

<i>(in mil. kunas)</i>	2001		2000		Index
	Amount	%	Amount	%	
Sales	2.537.0	95.0	2.435.9	95.3	104
Financial Incomes	79.9	3.0	61.4	2.4	130
Other Incomes	52.4	2.0	59.1	2.3	89
Total	2.669.3	100.0	2.556.4	100.0	104

SALES INCOME

<i>(in mil. kunas)</i>	Podravka Group				
	2001.	%	2000.	%	Index
Domestic Market	1.414,3	55,7	1.382,1	56,7	102
Foreign Market	1.122,7	44,3	1.053,8	43,3	107
Total	2.537,0	100,0	2.435,9	100,0	104

INCOME ACCORDING TO GROUPS OF PRODUCTS

<i>(in mil. kunas)</i>	Podravka Group				
	2001	%	2000	%	Index
Vegeta	704,9	27,78	644,9	26,47	109
Medicines	523,1	20,62	496,9	20,40	105
Podravka Heals	265,0	10,45	237,0	9,73	112
Meat and Meat products	248,5	9,79	274,1	11,25	91
Confectionary Programme	245,1	9,66	234,0	9,61	105
Fruits and Vegetable	174,4	6,87	155,5	6,38	112
Trade Goods	124,1	4,89	136,2	5,59	91
Beverages	99,9	3,94	77,2	3,17	129
Mill and Bakery Products	49,1	1,94	41,0	1,68	120
Services	32,7	1,29	28,7	1,18	114
Cosmetics	20,7	0,82	23,5	0,96	88
* Others	49,7	1,96	86,9	3,57	57
Total	2.537,0	100,00	2.435,9	100,00	104

* Others - Transit Goods, Retail sales, Restaurant, Hotel and Communal Nourishment sales, Printing Products Sales, Inženjering d.o.o. (ingeneering ltd.) Services sales.

DOMESTIC MARKET SALES

<i>(in mil. kunas)</i>	Podravka Group				Index
	2001	%	2000	%	
Medicines	444,3	31,41	434,5	31,44	102
Meat and Meat products	185,9	13,15	198,9	14,39	93
Fruits and Vegetable	148,2	10,48	130,7	9,46	113
Confectionary Programme	137,2	9,70	135,6	9,81	101
Vegeta	116,7	8,25	106,1	7,68	110
Beverages	97,2	6,87	76,1	5,50	128
Podravka Heals	88,9	6,29	84,3	6,10	105
Trade Goods	65,5	4,63	72,5	5,25	90
Mill and Bakery Products	49,1	3,47	41,0	2,97	120
Cosmetics	20,2	1,43	23,2	1,68	87
Services	28,7	2,03	25,1	1,82	114
Others	32,5	2,30	53,9	3,90	60
Total	1.414,4	100,00	1.382,1	100,00	102

INCOME PRO MARKET SALES

<i>(in mil. kunas)</i>	Podravka Group				Index
	2001	%	2000	%	
Croatia	1.414,4	55,75	1.382,1	56,74	102
Poland	265,7	10,47	234,4	9,62	113
Slovenia	181,1	7,14	194,7	7,99	93
Bosnia and Herzegovina	155,4	6,13	132,0	5,42	118
The Czech Republic	67,6	2,66	54,6	2,24	124
Hungary	60,0	2,36	63,3	2,60	95
Russia	59,6	2,35	38,4	1,58	155
Macedonia	51,6	2,03	55,0	2,26	94
Germany	47,0	1,85	37,1	1,52	127
Slovakia	42,9	1,69	42,0	1,72	102
Yugoslavia	36,4	1,43	29,4	1,21	124
SAD	31,2	1,23	27,7	1,14	113
Australia	22,3	0,88	26,0	1,07	86
Latvia	20,8	0,82	20,9	0,86	100
Austria	15,8	0,62	27,4	1,12	58
Other Countries	65,2	2,57	70,9	2,91	92
Foreign Markets - Total	1.122,6	44,25	1.053,8	43,26	107
The Group Total	2.537,0	100,00	2.435,9	100,00	104

STRUCTURE OF EXPENSES / EXPEDITURES

<i>(in mil. kunas)</i>	Podravka Group				Index
	2001	%	2000	%	
Sold Goods Expenses	1.490,9	57,63	1.489,6	60,43	100
Overhead and Operating Expenses	275,0	10,63	230,0	9,33	120
Sales and Distribution Expense	705,3	27,26	643,0	26,09	110
Financial Expenditures	115,9	4,48	102,4	4,15	113
Total	2.587,1	100,00	2.465,0	100,00	105

OWNERSHIP STRUCTURE

Shareholders	Number of Shares	%
I. Legal Entities	3.835.811	63,48
HFP	738.880	12,23
Kapitalni fond	732.990	12,13
EBRD	636.000	10,53
PBZ d.d.	296.966	4,91
Folijaplast d.o.o.	229.630	3,80
Dom fond d.d.	204.675	3,39
Središnji nacionalni fond d.d.	167.761	2,78
Hypo Alpe Adria Bank AG	140.189	2,32
Other Legal Persons	688.720	11,40
II. Individuals	2.045.219	33,84
III. Safe-Deposit Sheres	161.666	2,68
Total	6.042.696	100,00

KEY FINANCIAL INDICATORS IN 2001 IN RELATION TO 2000

	2001	2000
Total Business Income (ooo kn)	2.589.434	2.495.057
% Changes	3,78	
Total Sales (ooo kn)	2.537.042	2.435.976
% Changes	4,15	
Domestic Sales Income (ooo kn)	1.414.381	1.382.117
% Changes	2,33	
Foregin Sales Income (ooo kn)	1.122.661	1.053.859
% Changes	6,53	
EBIT (Earnings Before Interest and Taxes) (ooo kn)	118.220	132.518
% Changes	-10,79	
EBITDA (ooo kn)	298.888	285.014
% Changes	4,87	
Nett Profit / Loss (ooo kn)	61.937	79.960
% Changes	-22,54	
EPS (Earning per share) (kn)	7,83	12,20
% Changes	-35,82	
Total of Assets (ooo kn)	2.986.055	3.172.058
% Changes	-5,86	
Capital and Reserves (EQUITY) (ooo kn)	1.939.055	1.973.901
% Changes	-1,77	
Flow of Capital (ooo kn)	72.193	40.073
% Changes	80,15	
Number of Employers	6.885	7.073
% Changes	-2,66	
Net Profit / Number of Employers (ooo kn)	9	11
% Changes	-18,18	
ROE (Return of Earnings) %	3,19	4,05
% Changes	-21,23	
Total Investments (ooo kn)	65.330	106.521
% Changes	-38,67	

WHAT'S *being cooked?*



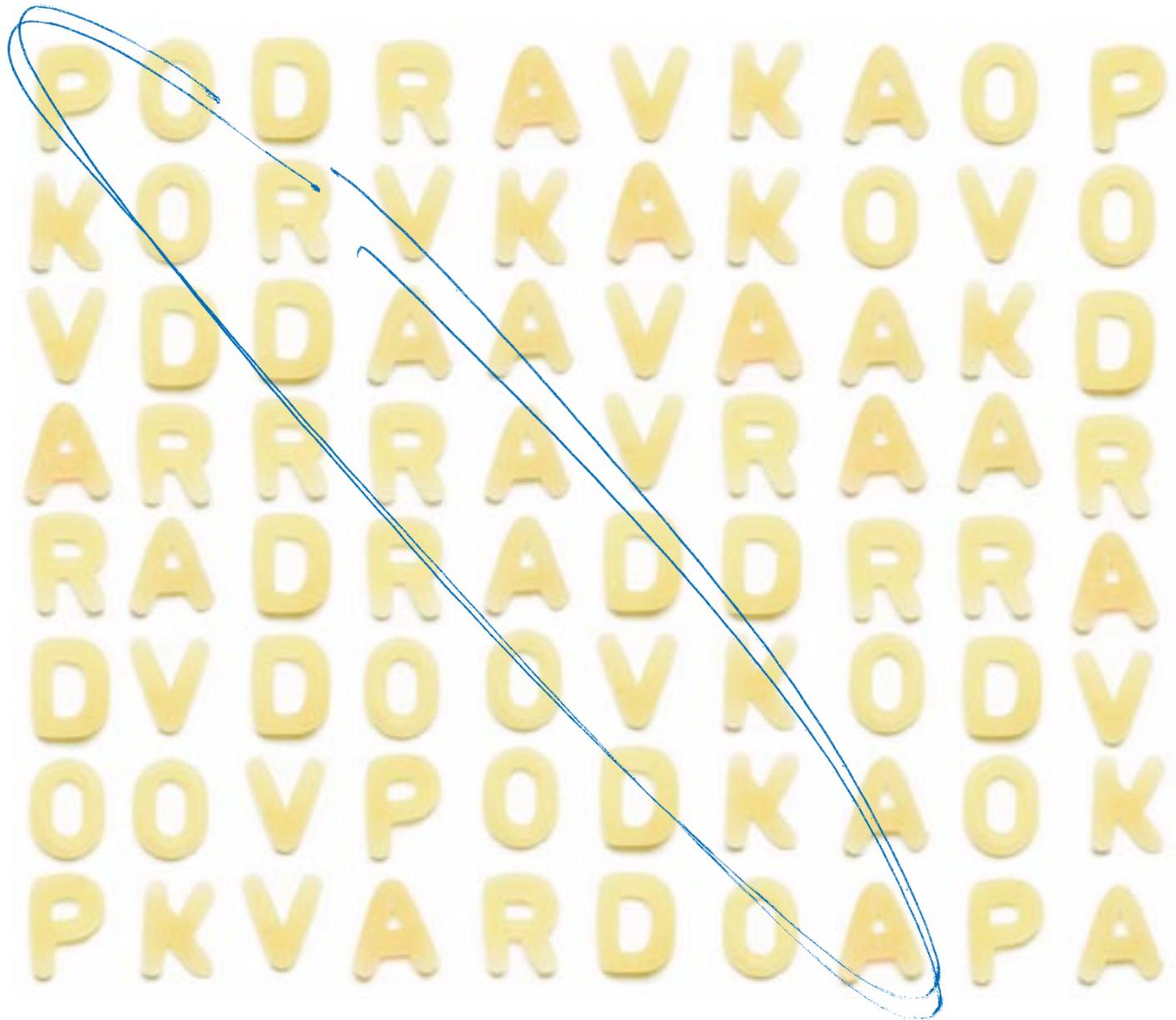


PROFIT CENTRE ~ VEGETA: the Podravka's most popular product brand consisting of the universal food seasoning, and special food seasoning Vegeta Twist. A sales growth of 9% in relation to 2000. More than 83% of Vegeta products are sold on foreign markets. A considerable sales growth in relation to 2000 in Croatia (+10%), Bosnia and Herzegovina (+19%), Poland (+9%), the Czech Republic (+18%), Slovakia (+5%), Russia (+72%), Germany (+33%). All products have been certified with ISO 9001:2000

essense

essense





PROFIT CENTRE ~ PODRAVKA DISHES: Podravka Group's business program includes Podravka bag soups, soup cubes, special meal additives and Fant/Fix sauces, half ready-made meals with pasta and rice base, Talianetta, and instant soups Fini-Mini. A sales growth of 12% in relation to 2000. A sales growth in relation to the previous year on Croatian markets (+5%), Bosnia and Herzegovina (+35%), Slovenia (+10%), the Czech Republic (+29%), Russia (+8%). The process of assortment innovation is being continued with new kinds of convenient products. One part of the Podravka bag soups and soup cubes has been adapted to the Vegetarian diet needs. A new palette of 2-litres soups in bigger economic packaging has been introduced, and a palette of traditional, classical soups has been extended. The assortment of the "gastro" program has been extended on the Czech market with 17 new products and packings.

P O D R A V K A O P
K O R V K A K O V O
V D D A A V A A K D
A R R R A V R A A R
R A D R A D D R R A
D V D O O V K O D V
O O V P O D K A O K
P K V A R D O A P A

ease

ease



PROFIT CENTRE ~ MILL & BAKERY: standard and special flour, mixtures, DI-GO fresh, bakery and confectionery products. A 20% sales growth in relation to the previous year. The assortment has been extended with 9 new products and “gastro” packing. In accordance with the trends we are developing the frozen food program, and half-baked products with the possibilities of baking them at the point of sales.



BASIS

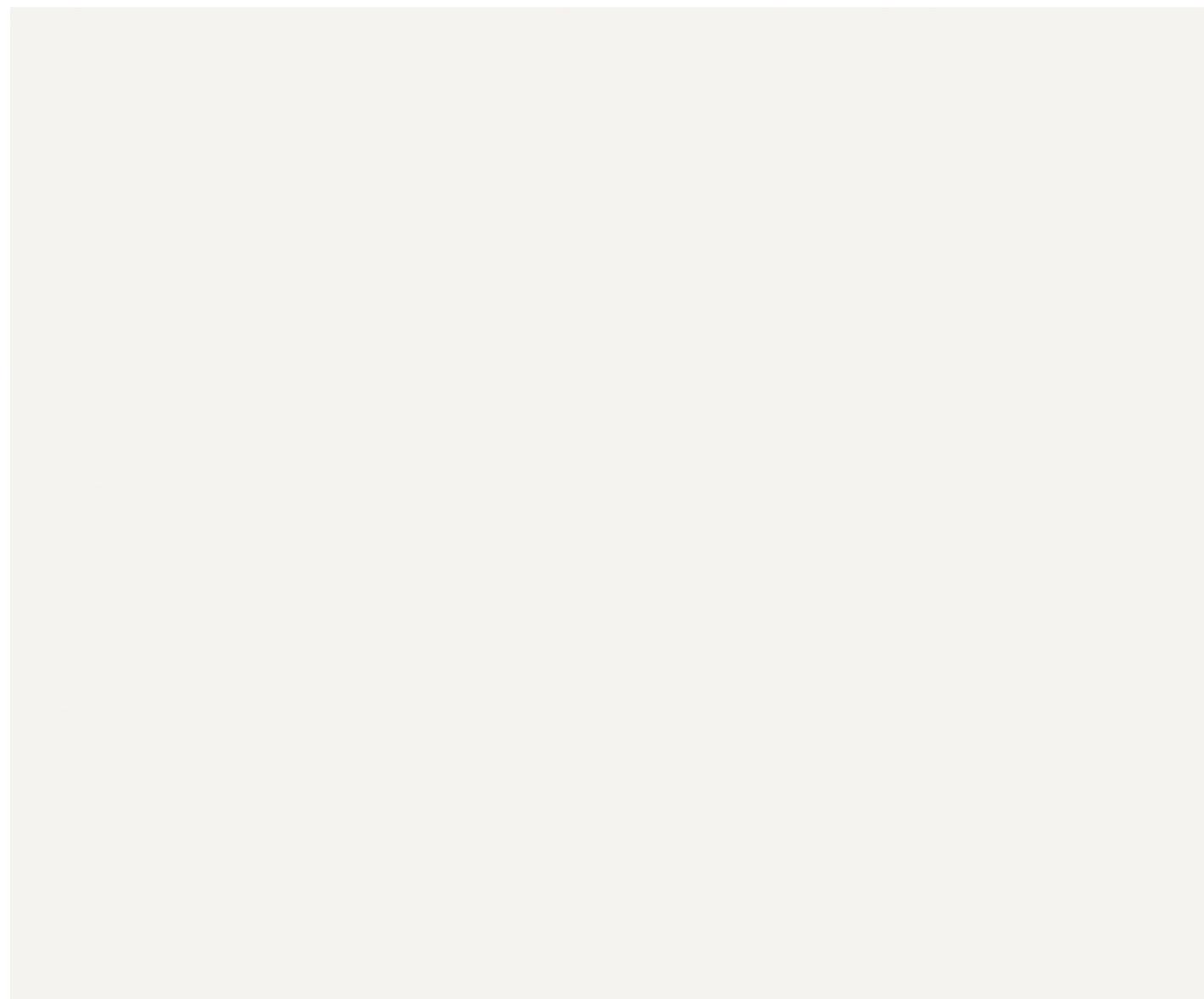
basis



PROFIT CENTRE ~ BEVERAGES: It includes natural mineral water - Studenac, natural spring water - Studena, lemon flavored natural spring water Studena, ice tea with spring water Studena, and a program of low calorie alcohol free drinks Deit. A sales growth of 29% in relation to 2000. The assortment has been enriched with lemon flavored natural spring water Studena, and peach and lemon flavored ice tea based on spring water Studena. Premium packing of natural mineral water has been introduced - 0.25 l and 0.75 l glass bottles - designed by Orsat Franković. Gordan Kožulj, champion swimmer in small pools, is a trade-mark face for natural mineral water Studenac. Blanka Vlašić, high jumper, is a trade-mark face for natural spring water Studena.



source



PROFIT CENTRE ~ CONFECTIONARY PROGRAM: It includes 3 brands: Lino-food for children, Dolcela - confectionery, Kviki - salty snack. A sales increase of 5% in relation to the previous year. An export increase of 10% for the markets of Slovenia, Bosnia and Herzegovina, Macedonia, and Russia, and penetrated to new markets of Romania and Yugoslavia. The assortment has been extended with 6 new products, new “gastro” packing intended for the markets of Croatia, Slovenia and Bosnia and Herzegovina. Communication activities are aimed at building the two brands - Dolcela and Lino.



*satis-
faction*



PROFIT CENTRE ~ FRUIT & VEGETABLES: includes groups of products with the longest tradition under the Podravka brand - fruit products, vegetable products and the most modern groups of products such as tea bags and condiments (ready-made sauces and trimmings). A sales increase of 12% in relation to the previous year. An increase of export on the markets of former Yugoslavia, Great Britain, the USA, Germany and France. The assortment has been extended with 6 new products, and the new “gastro” packing. The initiative has been taken to introduce government grants for primary production of fruit and vegetables. According to the trends, new technologies for preservative-free products have been introduced.

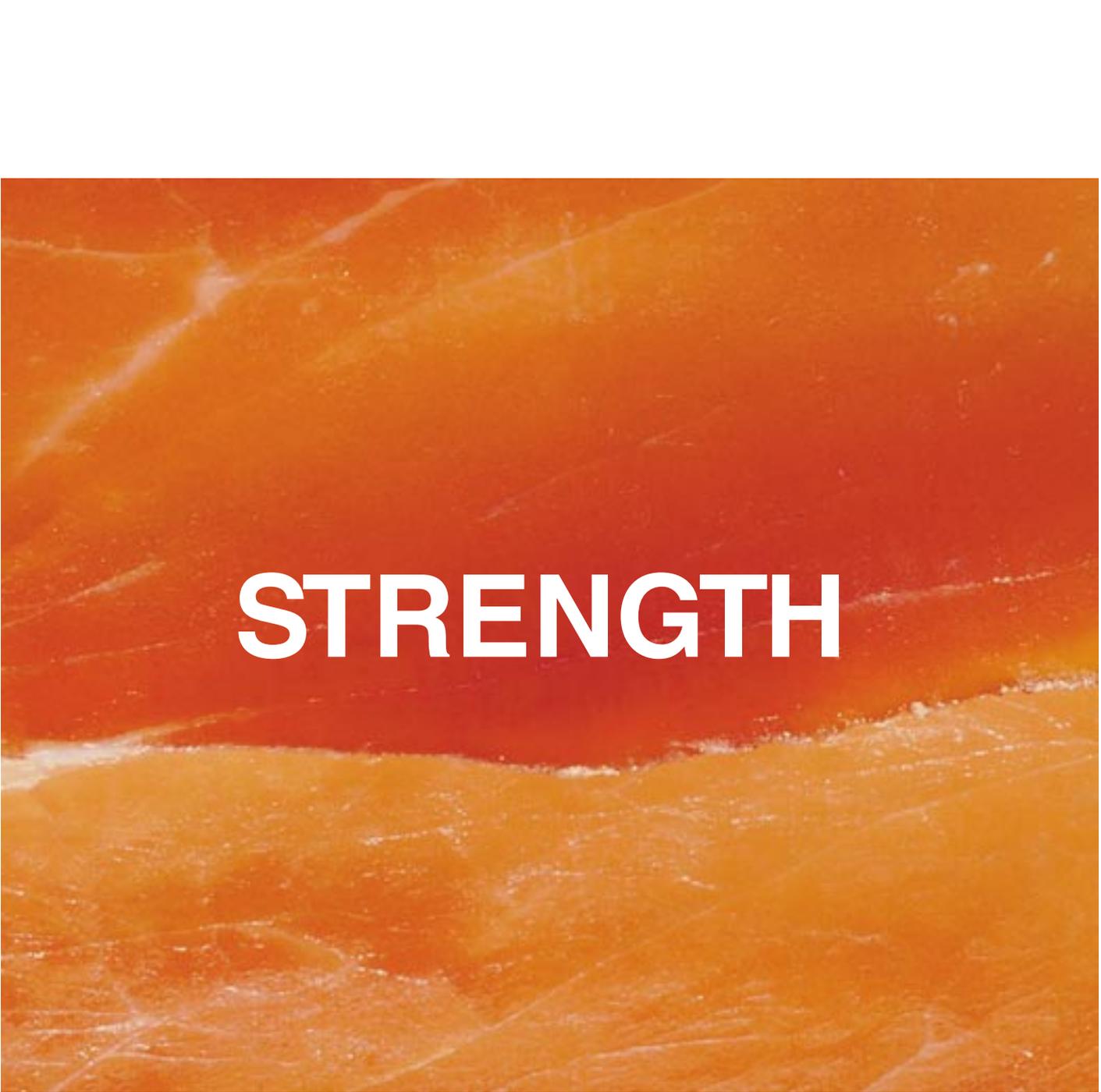


GROWTH

growth



PROFIT CENTRE ~ DANICA D.O.O.: produces high-quality meat products in three factories: slaughter, canned meat factory, and sausage and smoked meat factory. Sales decrease of 9% in relation to the previous year was primarily a result of foot and mouth disease, however, costs diminished 15% in relation to the previous year. Sales on the domestic market were 82%, and export 18% of the total sales. A sales increase of sausage and smoked meat products of 11%, and patties, Danica's most profitable production assortment, 20% in relation to the previous year. During 2001, the cost control policy was carried out, and costs of sold products decreased 17% in relation to the previous year, administrative costs decreased 14%, sales and distribution costs decreased 15%. A new design has been introduced - Podravka Meat Products, and the assortment has been extended with 16 new products intended for the Croatian market, and for the foreign ones, as well. The difference of the sales profit and cost of sold products increased 60% in relation to the previous year.



STRENGTH

strength



PROFIT CENTRE ~ BELUPO D.O.O.: 30 years of work; among the top pharmaceutical houses in middle and east Europe; the biggest investments in drug development of groups according to ATK (anatomic - therapeutic-chemical) classification: cardiac and cardiovascular treatment, skin treatment, bone and muscular system treatment and nervous system treatment. A sales increase of 5% in relation to the previous year. On the internationally awarded multimedia exhibition, Belupo introduced a new design of non-prescription drugs under the name *Don't worry be healthy!*, and presented itself as a pharmaceutical industry working on the promotion of health and life preservation culture. A project was introduced called Environment climatizations - exploring organizational climate and culture representing a platform for the implementation of SUPER BELUPO - systematic observation, evaluation and development of personnel. They also created their company vision and elaborated the strategic development guidelines. The sales of drugs and non-prescription products was integrated. There was an increase in the capacity of solid drug production. They renewed and obtained production permits from licenced partners (MSD, SKB, JANSEN CILAG).



BALANCE

balance

Sustainable development

During 2001, Podravka became a member of WBCSD-World Business Council for Sustainable Development-together with 24 more companies from 13 countries. Sustainability and reasonable use of world natural resources is one of the basic procedures and one of the basic goals of WBCSD, and because of the scope of activities, every year we focus on a narrower segment. So, in 2001 the emphasis was put on energetics and climate changes, natural water resources and preservation of natural diversity.

Because of the fact that developing countries and countries in transition are very important parts of the global way of thinking and working of WBCSD, the initiative was started to pass the present knowledge of the companies of the western world towards these countries and in this way to lower the possibilities of inadequate use of economic resources, and disturbing the biological balance, respectively. There is a tendency to strengthen social awareness of companies to improve the living standards of the local inhabitants.

In its work Podravka always pays attention to sustainable growth. We want to satisfy the company's economic interests, taking care of ecological and social interests. The world's largest food companies, including Podravka, have united in a project called Sustainable Agriculture Initiative. In this project, Podravka joined the leading world food companies contributing to the development of sustainable agriculture.

During 2001, employment and education procedures were verified within the quality system project ISO:9001. Within the framework of the permanent development of expert and managerial competencies, 18 young employees entered the educational-development program in cooperation with IECB-Bled.

In Belupo d.o.o. a work environment pilot project started under the name Environment with the intention to test working environment within Human Resources. The project included 700 employees and the results were presented to the Belupo Management. In Podravka,

together with the Department for Business Development a project Podravka Employee at Heart was started, involving young, highly educated employees, with the aim of their better cooperation, contemplation over the present and the future of Podravka, and developing their own professional growth.

In the previous year, as well as in the earlier ones, there was a preference of employing highly educated young experts, 46 trainees were employed, mostly graduate economists and graduates of food technology. Data on potential candidates for employment had been collected in Podravka, put into a database, which consists of 1300 spontaneous offers from potential employees. The new mission, vision and strategy of Podravka were defined, as well as a new organization with the intention to define business goals more effectively.

The Development of Ecology, as a part of the Development of Technology and Control, has been operating in the present way since March 1998. The operating basis are legal and subordinate legislation as well as the environment protection campaign plan in coordination with EBRD and the correctional plan for environment protection, which extends the campaigns plan to 2005 and corrects it according to the new demands and criteria.

Environment protection, established accordingly, includes complete solutions for all the issues in the concern such as: waste water problems, waste management, dangerous substance disposal, air emissions, keeping of a polluters register, disposal of inadequate raw materials, ready-made products and packaging, cooperation in the choice of clean technologies and fitting into the ecological standards when designing and reconstructing plants, drainage and improvement of sewage systems, and laboratory control.

During 2001, Podravka had a line of significant projects related to environment protection ranging from the reconstruction of the waste water filters at the Yeast Factory, the technological solution for the drainage and

waste water treatment in the industrial zone Danica, the designing of the new main line for waste water drainage and the reconstruction of waste water filters of Podravka's factories in the industrial zone. In cooperation with the Community of Environment Protection within the Croatian Chamber of Commerce and the Croatian Council for Sustainable Development we searched for a new solution to the problems of waste packaging disposal.

At the Vegetable Factory Umag we solved the releasing of waste water from the tomato hydro-transport line into coastal seas by constructing a new system for collecting waste water and redirecting them to the town collector.

The standardization of laboratory ecology control HR 45 000 was introduced, which enables waste water control outside the Podravka concern. All entries, exits, as well as intermediate stages and waste water treatment filters were analytically observed. Experimental composting of sludge mud from waste water treatment was performed, as well as reinforced nutrition of experimental plant cultures. The control of the implementation of regulations concerning banning the purchase of environmentally dangerous goods that damage the ozone layer, and changing of other minimum devices in accordance to the Montreal Agreement (also signed by Croatia) was continued. The purchase of new lines or devices dangerous for the ozone layer was also banned. A number of long-term improvements were made, such as measuring the air emissions at all emission spots for all Podravka units, collecting chemical wastes from different parts in the concern, which had been properly prepared and burned at the PUTO incinerating plant. Furthermore, in cooperation with the company Argos from Zagreb, certain quantities of goods, production materials and packaging inadequate for the market were properly stored, waste paper problems were taken care of according to the contract with "Unija papir" from

Zagreb, and the collecting of office waste paper was organized. All sorts of waste, which cannot be regarded as municipal waste have been systematically collected, and in cooperation with authorized companies are being sanitized. Work on the implementation of the KEO system (register of emissions in the environment) for the flow control of all the wastes in the concern was continued. New factories such as Vegeta and Belupo in Koprivnica, as well as Vegeta factories in Poland were constructed to meet the strictest European regulations for environment protection.

The solving of all current problems, as well as future ones, is aimed at bringing Podravka closer to the European environment protection standards. Preservation of ecological purity and social balance is of long-term interest for all the companies, together with Podravka.

We respect and appreciate inventiveness, the desire to be the best, team-work and trust, so we support different projects, the work of associations concerned with child development, such as associations for blind people, associations for helping mentally retarded people, associations for early educational-rehabilitation treatment of pre-school children with developmental handicaps, etc. We also support libraries, kindergartens, hospitals, and public health institutions, as well as different sports associations and talented individuals. Podravka also cooperates with small and middle-sized enterprises, locally and wider, and wants to improve the quality of living by taking care of Podravka's employees - constantly investing in their knowledge and skills, and their families and local people. Podravka has presented itself in all the environments it operates in as a desirable social partner, who takes care of the social community it works in. Therefore we will continue, along with our economic interest, to pay attention to the interests of the community we work in.

Ideas

Investing in ideas is a constant of Podravka's business philosophy. By encouraging creativity of top experts we set grounds for the successful future of our company.



consolidated FINANCIAL STATEMENTS

✦ ✦ ✦ ✦ ✦

Auditors' Report To The Shareholders Of Podravka d.d.

We have audited the accompanying balance sheet of Podravka d.d. ("the Company"), and of Podravka d.d. and its subsidiaries ("the Group") as at 31 December 2001, and the related income and cash flow statements for the year then ended, prepared in accordance with International Accounting Standards issued by the International Accounting Standards Committee. These financial statements set out on pages 2 to 32 are the responsibility of the Group's Management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company and the Group as of 31 December 2000 were audited by another auditor whose report dated 16 March 2001, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with International Standards on Auditing. Those standards

require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated and non-consolidated financial statements present fairly in all material respects the financial position of the Group and the Company as at 31 December 2001, and the results of its operations and cash flows for the year then ended in accordance with International Accounting Standards.

PricewaterhouseCoopers d.o.o.
Zagreb, 19 March 2002

PODRAVKA GROUP: INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

<i>(in thousands of HRK)</i>	Notes	Podravka Group		Podravka d.d.	
		2001.	2000.	2001.	2000.
Sales	3	2.537.042	2.435.976	1.313.437	1.306.325
Cost of goods sold	5	(1.490.867)	(1.489.563)	(856.215)	(873.538)
Gross profit		1.046.175	946.413	457.222	432.787
Other revenues	4	52.392	59.081	32.383	45.801
General and administrative expenses	6	(275.019)	(230.008)	(191.976)	(178.212)
Selling and distribution expenses	7	(705.328)	(642.968)	(306.279)	(293.120)
Operating profit/(loss)		118.220	132.518	(8.650)	7.256
Net financial income/(expense)	8	(53.967)	(45.246)	37.120	16.553
Net foreign exchange gains		17.961	4.291	7.805	5.379
Profit before tax		82.214	91.563	36.275	29.188
Tax on profit	10	(20.215)	(11.517)	-	-
Net profit from ordinary activities		61.999	80.046	36.275	29.188
Minority interests		(62)	(86)	-	-
Net profit		61.937	79.960	36.275	29.188
Basic earnings per share	11	7,83 kn	12,20 kn		
Diluted earnings per share	11	10,41 kn	13,38 kn		

The financial statements set out on pages 2 to 32 were approved by the Managing Board on 19 March 2002.

President of the Management Board

DARKO MARINAC

PODRAVKA GROUP BALANCE SHEET AS AT 31 DECEMBER 2001

<i>(in thousands of HRK)</i>	Notes	Podravka Group		Podravka d.d.	
		3112.2001	3112.2000	3112.2001	3112.2000
ASSETS					
Non-current assets					
Investments in subsidiaries	12	-	-	331.046	340.417
Loan receivables	13	21.279	21.437	290.873	360.067
Intangible assets	14	69.766	77.044	47.638	57.645
Property, plant and equipment	15	1.644.098	1.828.423	964.388	1.057.393
Total non-current assets		1.735.143	1.926.904	1.633.945	1.815.522
Current assets					
Inventories	16	472.030	498.116	257.654	265.751
Available-for-sale investments	17	76.500	91.620	70.266	71.595
Trade receivables	18	581.180	533.243	269.220	302.827
Other receivables and prepaid expenses	19	40.297	72.464	85.359	52.906
Current portion of long-term loan receivables	13	3.940	3.266	69.833	68.081
Short-term loan receivables	20	4.772	6.372	44.687	1.549
Cash and cash equivalents	21	72.193	40.073	35.577	12.388
Total current assets		1.250.912	1.245.154	832.596	775.097
Total assets		2.986.055	3.172.058	2.466.541	2.590.619

PODRAVKA GROUP BALANCE SHEET AS AT 31 DECEMBER 2001

(in thousands of HRK)	Notes	Podravka Group		Podravka d.d.	
		3112.2001	3112.2000	3112.2001	3112.2000
LIABILITES AND EQUITY					
Non-current liabilities					
Long-term debt	22	311.005	390.136	178.262	202.859
Long-term provisions	23	-	62.504	-	39.180
Total non-current liabilities		311.005	452.640	178.262	242.039
Current liabilities					
Trade payables	24	338.816	300.733	215.895	178.594
Other liabilities	25	109.184	106.560	56.268	58.667
Short-term borrowings	26	110.630	125.201	35.124	69.808
Current portion of long-term debt	22	176.870	212.590	94.480	129.589
Total current liabilities		735.500	745.084	401.767	436.658
Total liabilities		1.046.505	1.197.724	580.029	678.697
Shareholders' equity					
	27				
Share capital		1.812.809	1.812.809	1.812.809	1.812.809
Share premium		12.001	12.001	12.001	12.001
Treasury shares		(30.971)	(14.482)	(30.971)	(14.482)
Revaluation reserve		39.992	39.992	39.286	39.286
Legal and other reserves		38.459	36.104	35.966	33.120
Translation reserves		3.396	57	-	-
Retained earnings		63.369	87.420	17.421	29.188
Total shareholders' equity		1.939.055	1.973.901	1.886.512	1.911.922
Minority interest	29	495	433	-	-
Total liabilities and equity		2.986.055	3.172.058	2.466.541	2.590.619

Podravka Group	Notes	Share capital	Share premium	Treasury shares
<i>in thousands of HRK</i>				
Balance at 1 January 2000	27 /i/	1.812.809	12.001	(13.478)
Value adjustment	27/vii/	-	-	-
Transfer to cover loss	27/v/	-	-	-
Purchase of treasury shares	27/vi/	-	-	(1.004)
Dividend declared		-	-	-
Net profit for the year		-	-	-
Exchange differences		-	-	-
Balance at 31 December 2000	27 /i/, /ii/	1.812.809	12.001	(14.482)
Value adjustment	27/viii/	-	-	-
Transfer to legal reserves	27/iv/	-	-	-
Purchase of treasury shares	27/vi/	-	-	(16.489)
Dividend declared	27/iii/	-	-	-
Net profit for the period		-	-	-
Exchange differences		-	-	-
Balance at 31 December 2001	27 /i/,/ii/	1.812.809	12.001	(30.971)

PODRAVKA GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2001 (cont.)

Revaluation reserve	Legal and other reserves	Retained earnings	Translation reserve	Total
40.485	119.656	(63.946)	1.487	1.909.014
(493)		-	-	(493)
-	(83.552)	83.552	-	-
-	-	-	-	(1.004)
-	-	(12.146)	-	(12.146)
-	-	79.960	-	79.960
-	-		(1.430)	(1.430)
39.992	36.104	87.420	57	1.973.901
-	-	(68.811)	-	(68.811)
-	2.355	(2.355)	-	-
-	-	-	-	(16.489)
-	-	(14.822)	-	(14.822)
-	-	61.937	-	61.937
-	-	-	3.339	3.339
39.992	38.459	63.369	3.396	1.939.055

Podravka d.d.	Notes	Share capital	Share premium
<i>in thousands of HRK</i>			
Balance at 1 January 2000	27 /i/	1.812.809	12.001
Value adjustment	27/vii/	-	-
Transfer to cover loss	27/v/	-	-
Purchase of treasury shares	27/vi/	-	-
Dividend declared		-	-
Net profit for the year		-	-
Balance at 31 December 2000	27 /i/, /ii/	1.812.809	12.001
Value adjustment	27/viii/	-	-
Transfer to legal reserves	27/iv/	-	-
Purchase of treasury shares	27/vi/	-	-
Dividend declared	27/iii/	-	-
Net profit for the year		-	-
Balance at 31 December 2001	27 /i/,/ii/	1.812.809	12.001

PODRAVKA GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2001 (cont.)

Treasury shares	Revaluation reserve	Legal and other reserves	Retained earnings	Total
(13.478)	39.779	116.964	(71.698)	1.896.377
-	(493)	-	-	(493)
-	-	(83.844)	83.844	-
(1.004)	-	-	-	(1.004)
-	-	-	(12.146)	(12.146)
-	-	-	29.188	29.188
(14.482)	39.286	33.120	29.188	1.911.922
-	-	-	(30.374)	(30.374)
-	-	2.846	(2.846)	-
(16.489)	-	-	-	(16.489)
-	-	-	(14.822)	(14.822)
-	-	-	36.275	36.275
(30.971)	39.286	35.966	17.421	1.886.512

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Cash flows from operating activities				
Net profit	61.937	79.960	36.275	29.188
Depreciation	180.668	152.496	95.847	84.589
Provision for trade receivables	51.132	50.573	18.165	16.663
Value adjustment of investments	14.477	-	10.000	-
Other non-cash items	2.088	(407)	3.691	(493)
	310.302	282.622	163.978	129.947
Decrease/(increase) in inventories	24.360	(63.710)	7.136	(3.739)
(Increase)/decrease in trade receivables	(99.069)	103.287	15.442	240.723
Decrease/(increase) in short-term loans receivable	1.600	(5.479)	(43.138)	81.758
Decrease/(increase) in other current assets	2.596	16.739	(62.827)	101.690
Increase/(decrease) in trade payables	38.083	(59.507)	37.301	(55.106)
Decrease in provisions	(62.504)	(1.496)	(39.180)	(24.820)
Increase/(decrease) in other liabilities	87.573	25.345	33.957	1.499
Tax paid	(13.112)	(3.209)	-	-
Interest paid	(67.414)	(57.815)	(36.356)	(31.450)
	222.415	236.777	76.313	440.502
Cash flows from investing activities				
Purchase of tangible and intangible assets	(70.917)	(112.355)	(38.847)	(48.677)
Disposal of tangible and intangible assets	46.053	5.625	43.283	5.070
(Increase)/decrease in long-term receivables	(516)	9.828	67.442	(262.753)
Investments in subsidiaries and other investments	-	-	(629)	(35.357)
Sale of investments in shares	1.328	5.196	1.328	5.047
Dividend paid	(14.822)	(12.146)	(14.822)	(12.146)
	(38.874)	(103.852)	57.755	(348.816)

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Cash flows from financing activities				
Purchase of treasury shares	(16.489)	(1.004)	(16.489)	(1.004)
Proceeds from long-term borrowings	175.866	101.152	138.889	19.754
Repayment of long-term borrowings	(290.717)	(200.120)	(198.595)	(154.685)
Proceeds from short-term loans	183.575	190.254	145.826	186.451
Repayment of short-term loans	(198.146)	(235.068)	(180.510)	(172.176)
	(145.911)	(144.786)	(110.879)	(121.660)
Effect of change in exchange rates on cash	(5.510)	(4.529)	-	-
Net increase/(decrease) in cash and cash equivalents	32.120	(16.390)	23.189	(29.974)
Cash and cash equivalents:				
At the beginning of year	40.073	56.463	12.388	42.362
At the end of year	72.193	40.073	35.577	12.388

PODRAVKA GROUP

Notes To The Financial Statements For The Year Ended 31 December 2001

NOTE 1 - GENERAL INFORMATION

Podravka prehrambena industrija d.d., Koprivnica (the "Company") is incorporated in the Republic of Croatia. The Company and its subsidiaries (the "Podravka Group") are manufacturers of a wide range of foodstuffs and non-alcoholic beverages, pharmaceutical and cosmetic products

NOTE 2 ACCOUNTING POLICIES

2.1 ~ *Basis of presentation*

The consolidated financial statements of the Podravka Group and the financial statements of the Company are prepared in accordance with International Accounting Standards and comply with accounting and reporting requirements issued by International Accounting Standards Committee. The consolidated financial statements and the financial statements of the Company are presented in Croatian kuna (HRK). The principal accounting policies have been consistently applied for all the periods covered by this report, except for the policy of accounting for tangible fixed assets under 2.5.

In 2001, the Group adopted IAS 39 - Financial instruments: Recognition and Measurement. Further infor-

mation is disclosed in accounting policies 2.8 and 2.17 and in Note 17.

2.2 ~ *Accounting conventions*

The consolidated financial statements of the Group are prepared using the historical cost convention, with the exception of non-current assets acquired prior to 31 December 1993, which were subjected to independent valuation at market value.

2.3 ~ *Consolidation*

The Podravka Group consists of the parent company and its subsidiaries. A listing of the Group's subsidiaries is set out in Note 12. All intragroup transactions have been eliminated on consolidation.

Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Investments in associated undertakings over which the Company exercises significant influence are accounted for by the equity method of accounting.

2.4 ~ *Intangible assets*

Intangible assets are stated at cost and comprise licences for software used for business purposes. Intangible assets are amortised at annual rates of 20% - 30%.

Expenditure which enhances and extends the benefits of computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software.

2.5 ~ *Tangible fixed assets*

All property, plant and equipment is recorded at purchase cost less accumulated depreciation, except for assets acquired prior to 31 December 1993, which are stated at revalued cost less estimated accumulated depreciation and included as such in the registered share capital.

Purchase cost includes all costs directly attributable to bringing the asset to working condition for its intended use.

Until 2000, purchase cost included a part of the borrowing costs related to financing of property, plant and equipment over the period of construction.

In 1999, a part of land and buildings were revalued at market value. The result of this valuation is recorded as revaluation reserve within equity.

Non-current tangible assets are annually reviewed by

the Company on the basis of external and internal information so as to estimate their recoverable amount. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Depreciation is calculated so as to write off the purchase cost, estimated and adjusted value of tangible fixed assets, less their estimated residual values, on a straight-line basis over their expected useful lives. The expected useful lives are as follows:

	2001	2000
Buildings	10 - 50 years	10 - 50 years
Machinery and equipment	2,7 - 33 years	5 - 33 years
Fixtures and fittings	2,7 - 15 years	4 - 15 years

Land and assets in the course of construction are not depreciated.

2.6 ~ *Inventories*

Inventories are stated at the lower of cost or net realisable value. Cost is calculated on the average annual cost price basis. Cost of work in progress and finished goods includes materials, direct labour and an appropriate proportion of variable and fixed overhead costs, the latter being allocated on the basis of normal oper-

ating capacity. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.7 ~ *Trade receivables*

Trade receivables are stated at their nominal value less necessary provisions for bad and doubtful debts. An estimate is made for doubtful receivables based on a periodical review of all outstanding amounts. Provision for bad and doubtful debt is recorded in the period when identified.

2.8. ~ *Investments*

At 1 January 2001, the Group adopted IAS 39, Financial Instruments, and classified its investments accordingly.

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets. Investments with fixed maturity that the Management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity are classified as available-for-sale; these are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date in which case they are included in current

assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments in shares are classified as investments available-for-sale and are carried at fair value. Equity instruments which are not traded and for which it is not possible to determine fair value are carried at cost less amortisation. Marketable securities are carried at market value determined by reference to stock exchange quoted offer prices as at the balance sheet date.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Cost of purchase includes transaction costs. Realised and unrealised gains and losses arising from changes in the fair value of available-for-sale investments are included in the income statement in the period in which they arise.

Prior to the adoption of IAS 39, The Group had recorded its investments in shares and bonds at the lower of cost or net realisable value. The implementation of IAS 39 and the resulting change in the accounting policy had no significant effect on the value of investments. Accordingly, no adjustment was made to the opening balance as at 1 January 2001.

Investments in subsidiaries are stated at cost in the financial statements of the Parent Company.

2.9 ~ *Provisions for restructuring costs*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Restructuring provisions represent mainly employee termination payments and are recognised in the period in which the Group becomes legally or constructively committed to payment. Employee termination benefits are recognised only after either an agreement is in place with the appropriate employee representatives specifying the terms of redundancy and the numbers of employees affected, or after individual employees have been advised of the specific terms.

2.10 ~ *Cash and cash equivalents*

For the purpose of the balance sheet and cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks, and highly liquid investments (such as short-term deposits and bills of exchange) with insignificant risk of changes in value and original maturities of three months or less from the date of acquisition.

2.11 ~ *Profit tax*

Profit tax is computed on the basis of reported income under the laws and regulations of the country in which the respective Group company is registered.

For the Company and subsidiaries in Croatia, the corporate profit tax is calculated by applying a 20% rate (2000: 35%) to the taxable base as prescribed by law. The taxable base represents profit increased or decreased by certain items which are added to or deducted from the tax base.

In 2000, the corporate profit tax base was reduced by the amount of protective interest on capital, calculated by applying the protective interest rate to the book value of capital. The protective interest rate for 2000 was 11.09% (consisting of 5% plus annual growth index of production prices).

Under the Croatian tax regulations, tax loss can be carried forward in the next five years.

2.12 ~ *Provisions for deferred taxes*

Based on the Croatian tax regulations providing that tax loss can be carried forward in the next five years, in 1998 the Company recognised tax assets and recorded income, which will be used in the period of five years to reduce income tax liability.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the tax losses could be utilised. To the extent that it is not probable that future taxable profit will be available against which tax benefits can be utilised or for its utilised portion, deferred tax asset is reversed.

2.13 ~ *Share capital*

Share capital consists of ordinary and preferred shares. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

Dividends on ordinary and preferred shares are recognised in equity in the period in which they are declared.

Where the Company purchases the Company's own equity share capital, the consideration paid including any attributable transaction costs net of taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.14 ~ *Borrowings*

Borrowings are recognised initially at the proceeds received. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

2.15 ~ *Foreign currencies*

Transactions denominated in foreign currencies are recorded, on initial recognition in the reporting currency, by translating the foreign currency amount

according to the exchange rate between the foreign and reporting currency valid at the date of the transaction. Outstanding foreign currency monetary items at the balance sheet date are reported at the closing rate.

Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded in the year, or reported in previous years, are recognised as income or expense for the year in which they arise.

Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded in the year, or reported in previous years, are recognised as income or expense for the year in which they arise.

2.16 ~ *Revenue recognition*

Amounts received or receivable for goods sold or services provided are recognised as revenue when the goods are delivered or the services are provided. They are stated net of taxes, discounts and rebates.

2.17 ~ *Financial risk management*

(1) Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of: changes in market prices, foreign currency exchange rates and interest rates. The Group does not use derivative financial instruments to hedge financial risk exposure.

(2) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the EUR and USD. Additionally, the Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk.

(3) Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consists of primarily trade receivables and given loans. The Group keeps its cash with major banks. Trade receivables are presented net of the provision for doubtful accounts.

(4) Interest rate risk

The Group's income and operating cash flows are dependent on changes in market interest rates. At year-end, majority of borrowings carried variable interest rates.

(5) Fair value

The carrying amount of cash, accounts receivable, accounts payable and accrued expenses approximate their fair values due to the short-term maturity of these assets and liabilities. Inventories are stated at the lower of cost and net realisable value. The fair values of other long-term borrowings are not materially different from the carrying amounts.

2.18 ~ *Reclassification*

Certain balances in the balance sheet, income statement and cash flow statement for 2000 have been reclassified to conform with the presentation in the current year. Substantial changes relate to recording of costs in the income statement by function and not by nature of cost and recording of treasury shares in equity.

NOTE 3 - SALES

ANALYSIS BY BUSINESS SEGMENT

	Podravka Group				Podravka d.d.			
	2001		2000		2001		2000	
	<i>in</i>	%	<i>in</i>	%	<i>in</i>	%	<i>in</i>	%
	<i>thousands</i>		<i>thousands</i>		<i>thousands</i>		<i>thousands</i>	
	<i>of HRK</i>		<i>of HRK</i>		<i>of HRK</i>		<i>of HRK</i>	
Vegeta	704.863	27,78	644.934	26,48	322.469	24,55	321.491	24,61
Pharmaceuticals	523.063	20,62	496.940	20,40	-	-	-	-
Instant and canned food	265.023	10,45	236.973	9,73	208.567	15,88	200.605	15,35
Meat and meat products	248.451	9,79	274.093	11,25	81.167	6,18	96.803	7,41
Confectionary pproducts	245.126	9,66	234.047	9,61	207.252	15,78	188.851	14,45
Fruit and vegetables	174.359	6,87	155.455	6,37	175.164	13,34	150.956	11,56
Merchandise	124.068	4,89	136.201	5,59	15.833	1,21	17.978	1,38
Beverages	99.894	3,94	77.243	3,17	99.300	7,56	76.762	5,88
Bread, cake and pastries	49.084	1,93	41.043	1,69	49.743	3,79	41.673	3,19
Services	32.719	1,29	28.737	1,18	96.349	7,33	118.226	9,05
Cosmetics	20.741	0,82	23.455	0,96	-	-	-	-
Other	49.651	1,96	86.855	3,57	57.593	4,38	92.980	7,12
	2.537.042	100	2.435.976	100	1.313.437	100	1.306.325	100

NOTE 3 - SALES (cont.)

GEOGRAPHICAL ANALYSIS BY DESTINATION

	Podravka Group				Podravka d.d.			
	2001		2000		2001		2000	
	<i>in</i>	<i>%</i>	<i>in</i>	<i>%</i>	<i>in</i>	<i>%</i>	<i>in</i>	<i>%</i>
	<i>thousands</i>		<i>thousands</i>		<i>thousands</i>		<i>thousands</i>	
	<i>of HRK</i>	<i>of HRK</i>			<i>of HRK</i>	<i>of HRK</i>		
Croatia	1.414.381	55,75	1.382.117	56,74	847.022	64,49	834.086	63,85
Poland	265.659	10,47	234.401	9,62	7.615	0,58	51.860	3,97
Slovenia	181.100	7,15	194.726	7,99	83.233	6,34	66.530	5,09
Bosnia and Herzegovina	155.404	6,13	132.010	5,42	64.746	4,93	64.285	4,92
Czech Republic	67.550	2,66	54.654	2,24	34.768	2,65	28.388	2,17
Hungary	59.997	2,36	63.283	2,60	12.185	0,93	10.803	0,83
Russia	59.632	2,35	38.373	1,58	43.702	3,33	28.436	2,18
Macedonia	51.588	2,03	55.057	2,26	25.556	1,94	22.555	1,73
Germany	47.041	1,85	37.066	1,52	31.340	2,39	26.598	2,04
Slovakia	42.850	1,69	41.968	1,72	6.044	0,46	4.108	0,31
Yugoslavia	36.379	1,43	29.393	1,21	32.980	2,51	25.411	1,95
USA	31.183	1,23	27.685	1,14	30.936	2,36	27.685	2,12
Australia	22.312	0,88	26.035	1,07	-	-	-	-
Latvia	20.821	0,82	20.950	0,86	19.361	1,47	20.950	1,60
Austria	15.848	0,62	27.357	1,12	13.490	1,03	24.994	1,91
Romania	12.488	0,49	6.506	0,27	460	0,03	633	0,05
Sweden	10.205	0,41	6.952	0,28	9.614	0,73	6.952	0,53
Switzerland	8.201	0,32	4.555	0,19	5.644	0,43	4.555	0,35
France	3.362	0,13	9.464	0,39	3.362	0,26	9.464	0,72
Ukraine	3.116	0,13	1.817	0,07	3.116	0,24	1.817	0,14
Other countries	27.925	1,10	41.607	1,71	38.263	2,90	46.215	3,54
Total	2.537.042	100	2.435.976	100	1.313.437	100	1.306.325	100

The comparative net profit and net asset figures by business segment are not available due to ongoing restructuring.

NOTE 4 - OTHER REVENUES

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Recovered trade receivables previously written-off	18.588	8.755	10.288	2.153
Insurance damages collected	4.629	3.862	3.005	3.237
Sale of material	7.343	4.818	6.796	4.792
Interest receivables written-off	-	-	3.218	-
Statute barred liabilities written-off	-	-	4.558	7.572
Subsequent approvals from suppliers	3.056	6.081	2.401	5.137
Income from reversal of provisions	2.970	20.147	-	19.869
Other	15.806	15.418	2.117	3.041
Total	52.392	59.081	32.383	45.801

NOTE 5 - COST OF GOODS SOLD

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Material	1.000.986	1.026.154	597.494	633.132
Salaries	253.986	232.173	139.476	128.393
Depreciation	112.759	97.532	55.935	51.895
Other	123.136	133.704	63.310	60.118
Total	1.490.867	1.489.563	856.215	873.538

NOTE 6 - GENERAL AND ADMINISTRATIVE EXPENSES

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Salaries	120.884	102.369	90.505	79.174
Depreciation	36.341	26.412	26.406	18.771
Banking, consultancy and other services	28.143	18.002	22.954	13.133
Material	11.504	8.767	5.985	4.565
Write-off of intragroup interest receivable	-	-	1.902	25.801
Other	78.147	74.458	44.224	36.768
Total	275.019	230.008	191.976	178.212

NOTE 7 - SELLING AND DISTRIBUTION EXPENSES

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Advertising and promotion	195.897	193.843	73.993	91.771
Salaries	180.635	158.170	91.557	75.132
Transport	65.276	58.238	38.337	32.832
Provisions	51.134	50.947	18.165	16.663
Maintenance	7.853	6.903	4.512	3.406
Depreciation	26.819	23.633	8.757	9.004
Material	21.792	22.195	9.985	8.477
Other	155.922	129.039	60.973	55.835
Total	705.328	642.968	306.279	293.120

NOTE 8 - NET FINANCIAL INCOME/(EXPENSE)

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Investments				
Income /i/	1.669	5.513	43.588	13.160
Expenses	(7.689)	(12)	(11.077)	(7.016)
Net (expense) / income from investments	(6.020)	5.501	32.511	6.144
Interest				
Income	13.209	21.633	35.806	50.860
Expense	(61.156)	(72.380)	(31.197)	(40.451)
Net interest (expense) / income	(47.947)	(50.747)	4.609	10.409
Total	(53.967)	(45.246)	37.120	16.553

/i/ In 2001, the Management Board issued a decision on withdrawal of subsidiaries' retained earnings in the amount of HRK 41,374,000 (2000: HRK 7,647,000).

NOTE 9 - STAFF COSTS

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Staff costs	586.124	523.311	340.346	300.534
Total	586.124	523.311	340.346	300.534

Staff costs include salaries, allowances, severance payments, awards, transportation costs and medical check-ups. As of 31 December 2001, the number of employees in the Group was 6,885 (2000: 7,073) and in Podravka d.d. 4,365 (2000: 4,478).

NOTE 10 - PROFIT TAX

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Corporate profit tax at 20 % (2000: 35%)	15.327	3.633	-	-
Overseas tax	4.888	7.884	-	-
Total	20.215	11.517	-	-

In accordance with the Croatian tax regulations, at the end of 2001, the Company and the Group realised tax losses which can be carried forward 5 years and expire as follows:

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
2000	-	79.224	-	36.817
2001	150.449	150.449	58.274	58.274
2002	219.171	219.171	171.880	171.880
2003	20.457	20.457	-	-
2004	16.080	16.080	-	-
2005	112.362	112.362	109.219	109.219
	518.519	597.743	339.373	376.190

NOTE 11 - EARNINGS AND DIVIDENDS PER SHARE

Basic earnings per share of HRK 7.83 (2000: HRK 12.20) has been calculated on the basis of the net earnings of the Podravka Group less total dividend on preferred shares in the amount of HRK 41,486,000 (2000: HRK 65,138,000) and the weighted average number of ordinary shares in issue of 5,300,454 less treasury shares (2000: 5,340,780).

Diluted earnings per share of HRK 10.41 (2000: HRK 13.38) has been calculated on the same basis as basic earnings per share and additionally taking into consideration the impact of the number of preferred shares that may be converted into ordinary shares in the amount of 636,000 and taking into consideration the impact of the assumed conversion of the employee share options of 14,270 which were eligible during the year but remain unexercised.

NOTE 12 - INVESTMENTS IN SUBSIDIARIES

	Holding in %	Podravka d.d.	
		3112.2001	3112.2000
		<i>(in thousands of HRK)</i>	
Belupo d.o.o., Koprivnica	100,00	157.830	157.830
- Belupo d.o.o. Ljubljana (subsidiary)		-	-
Koprivnička Tiskarnica d.o.o., Koprivnica	100,00	14.142	14.142
Danica d.o.o., Koprivnica	100,00	92.311	92.311
Podravka In`enjering d.o.o., Koprivnica	100,00	20	20
Poni trgovina d.o.o., Koprivnica	100,00	20	20
Hotel Podravina d.o.o., Koprivnica /i/	100,00	9.684	19.684
Sana d.o.o., Hoče, Slovenia	100,00	217	217
Podravka d.o.o., Ljubljana, Slovenia	100,00	74	74
Podravka d.o.o., Skopje, Macedonia	100,00	42	42
Podravka d.o.o., Sarajevo, Bosnia and Herzegovina	100,00	40	40
Podravka International - Konar GmbH, Germany	100,00	1.068	1.068
- Podravka d.o.o. Beograd (subsidiary)		-	-

	Holding in %	Podravka d.d.	
		3112.2001	3112.2000
		<i>(in thousands of HRK)</i>	
Podravka-International Kft, Budapest, Hungary /ii/	100,00	5.343	1.078
Podravka Kft, Mohacs, Hungary /ii/	100,00	-	3.720
Podravka-International e.o.o.d., Sofia, Bulgaria	100,00	10	10
Podravka-International Pty Ltd, Sydney, Australia	100,00	426	426
Podravka-International Sp.z o.o., Warsaw, Poland	100,00	277	277
Podravka-Polska Sp.z o.o., Kostrzyn, Poland	100,00	49.440	49.440
Podravka-International s.r.l., Bucharest	100,00	84	-
Podravka-International s.r.o., Bratislava, Slovakia	50,00	18	18
- Podravka-International s.r.o. Prague (subsidiary)		-	-
		331.046	340.417

/i/ The investment in the subsidiary Hotel Podravina d.o.o. has been decreased by HRK 10,000,000 and was charged to investment expenses for the period (Note 8).

/ii/ The investment in the subsidiary Podravka-International Kft, Budapest has been increased for the retained earnings by HRK 545,000. In November 2001, upon merger with the subsidiary Podravka-International Kft, Mohacs, net assets of the subsidiary Podravka-International Kft, Budapest increased by HRK 3,720,000.

NOTE 13 - LONG-TERM RECEIVABLES

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Flats and sale of flats on credit	4.733	5.172	4.720	5.172
Due from associated companies /i/	-	-	344.857	407.606
Other loans	20.486	19.531	11.129	15.370
Total long-term receivables, including current portion	25.219	24.703	360.706	428.148
Current portion of long-term receivables	(3.940)	(3.266)	(69.833)	(68.081)
Total long-term receivables	21.279	21.437	290.873	360.067

/i/ Receivables from associated companies include long-term loans granted to:

- Belupo d.o.o., Koprivnica in the amount of HRK 211,608,000 (2000: HRK 251,696,000),
- Danica d.o.o., Koprivnica of HRK 127,249,000 (2000: HRK 131,054,000),
- Poni d.o.o., Koprivnica of HRK 6,000,000 (2000: - HRK).

Loans to Belupo and Poni are repayable over five years and the loan to Danica over 10 years. Loans carry variable interest rates (the average interest rate on borrowings for working capital of Podravka d.d.).

NOTE 14 - INTANGIBLE ASSETS

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Cost				
At 1 January	89.158	84.750	64.852	63.332
Effect of changes in foreign exchange rates	1.115	832	-	-
Additions	9.698	3.835	2.407	1.548
Disposals	(486)	(259)	(1)	(28)
At the end of period	99.485	89.158	67.258	64.852
Accumulated depreciation				
At 1 January	(12.114)	(4.614)	(7.207)	(2.166)
Effect of changes in foreign exchange rates	(145)	66	-	-
Additions /i/	(1.287)	-	-	-
Depreciation charge	(16.659)	(7.805)	(12.414)	(5.041)
Disposals	486	239	1	-
At end of period	(29.719)	(12.114)	(19.620)	(7.207)
Net book value	69.766	77.044	47.638	57.645

/i/ An increase in accumulated depreciation of HRK 1,287,000 relates to the difference which occurred in the period between 1997 and 2000 as a result of using different accounting policies for recording useful life of intangible assets in the financial statements of the subsidiary Belupo d.o.o. and in the financial statements of the Group. This difference, increased for the amount described in Note 15/iii/, was recorded as a part of reduction of retained earnings (Note 27 /viii/).

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment of the Podravka Group together with the related accumulated depreciation at 31 December 2000 and 2001 are presented below:

Podravka Group <i>(in thousands of HRK)</i>	Land and buildings	Equipment	Assets under construction	Other	Total
2000 Cost					
At 1 January 2000	1.580.939	1.031.077	309.015	9.217	2.930.248
Effect of foreign exchange rate movements	(236)	(2.331)	4.461	(43)	1.851
Additions	744	4.202	103.405	169	108.520
Transfer from assets in course of construction /i/	168.272	233.753	(402.714)	689	-
Disposals and retirements	(1.248)	(11.760)	(3.328)	(355)	(16.691)
At 31 December 2000	1.748.471	1.254.941	10.839	9.677	3.023.928
Accumulated depreciation					
At 1 January 2000	442.797	618.939	-	514	1.062.250
Effect of foreign exchange rate movements	169	(496)	-	(23)	(350)
Charge for the year	56.309	87.829	-	553	144.691
Disposals and retirements	(170)	(10.574)	-	(342)	(11.086)
At 31 December 2000	499.105	695.698	-	702	1.195.505
Net book value At 31 December 2000	1.249.366	559.243	10.839	8.975	1.828.423
At 31 December 2001 Cost					
At 1 January 2001	1.748.471	1.254.941	10.839	9.677	3.023.928
Effect of foreign exchange rate movements	5.821	5.818	483	(1.243)	10.879
Additions	22	6.564	49.852	4.104	60.542
Transfer from subsidiaries	-	1.915	-	-	1.915
Transfer from assets in course of construction	4.391	35.997	(40.465)	77	-
Disposals and retirements	(48.364)	(86.833)	(110)	(46)	(135.353)

Podravka Group	Land and buildings	Equipment	Assets under construction	Other	Total
<i>(in thousands of HRK)</i>					
Value adjustments /ii/	(7.864)	-	-	-	(7.864)
At 31 December 2001	1.702.477	1.218.402	20.599	12.569	2.954.047
Accumulated depreciation					
At 1 January 2001	499.105	695.698	-	702	1.195.505
Effect of foreign exchange rate movements	215	3.446	-	(661)	3.000
Additions /iii/	10.230	25.267	-	-	35.497
Depreciation charge for the period	57.568	106.406	-	35	164.009
Disposals	(16.608)	(72.692)	-	-	(89.300)
Transfer from subsidiaries	-	1.238	-	-	1.238
At 31 December 2001	550.510	759.363	-	76	1.309.949
Net book value at 31 December 2001	1.151.967	459.039	20.599	12.493	1.644.098

/i/ In 2000, significant investment projects, the new Vegeta factories in Koprivnica, Croatia and Kostrzyn, Poland, as well as a part of the SAP project in the total amount of HRK 270,826,000 were completed.

/ii/ The impairment charge for buildings belonging to subsidiary Hotel Podravina was calculated on the expected recoverable amount in the amount of HRK 7,864,000. Other operating expenses included in general and administrative expenses increased by the same amount (Note 6).

/iii/ An increase in accumulated depreciation of HRK 35,497,000 relates to the difference which occurred in the period between 1997 and 2000 as a result of using different accounting policies for recording useful life of these in the financial statements of the subsidiary Belupo d.o.o. and in the financial statements of the Group. This difference was reduced by the amount of deferred tax liability in the amount of HRK 5,226,000 and increased by the amount described in Note 14 /i/, and stated as a part of decrease of retained earnings (Note 27 /viii/).

/iv/ Group buildings and land worth HRK 439,020,000 (2000: HRK 458,422,000) were pledged as collateral for borrowings.

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT (cont.)

The cost of property, plant and equipment of the Company together with the related accumulated depreciation at 31 December 2000 and 2001 are presented below:

Podravka Group	Assets				Total
(in thousands of HRK)	Land and buildings	Equipment	under construction	Other	
2000 Cost					
At 1 January 2000	994.663	528.366	239.227	2.284	1.764.540
Additions	531	851	44.176	2.283	47.841
Transfer from assets in course of construction /i/	98.424	178.068	(277.562)	1.070	-
Disposals and retirements	(1.248)	(7.468)	(3.328)	-	(12.044)
At 31 December 2000	1.092.370	699.817	2.513	5.637	1.800.337
Accumulated depreciation					
At 1 January 2000	281.670	388.710	-	18	670.398
Charge for the year	35.140	44.385	-	23	79.548
Disposals and retirements	(170)	(6.832)	-	-	(7.002)
At 31 December 2000	316.640	426.263	-	41	742.944
Net book value at 31 December 2000	775.730	273.554	2.513	5.596	1.057.393
2001 Cost					
At 1 January 2001	1.092.370	699.817	2.513	5.637	1.800.337

Podravka Group	Assets				
<i>(in thousands of HRK)</i>	Land and buildings	Equipment	under construction	Other	Total
Additions	-	620	35.595	-	36.215
Transfer from assets in course of construction	1.076	20.413	(21.550)	61	-
Disposals and retirements	(48.364)	(69.286)	-	(1.746)	(119.396)
Transfer from subsidiaries	-	1.793	-	-	1.793
At 31 December 2001	1.045.082	653.357	16.558	3.952	1.718.949
Accumulated depreciation					
At 1 January 2001	316.640	426.263	-	41	742.944
Charge for the period	35.218	48.180	-	35	83.433
Disposals and retirements /ii/	(16.608)	(56.777)	-	-	(73.385)
Transfer from subsidiaries	-	1.569	-	-	1.569
At 31 December 2001	335.250	419.235	-	76	754.561
Net book value at 31 December 2001	709.832	234.122	16.558	3.876	964.388

/i/ In 2000, significant investment projects, the new Vegeta factories in Koprivnica, Croatia and a part of the SAP project in the total amount of HRK 239,120,000 were completed.

/ii/ In 2001, land, buildings and equipment for yeast production and the seaside resort in Pirovac were sold for the amount of HRK 42,485,000. The book value of the sold assets was HRK 42,607,000. The loss on sale was stated at HRK 122,000.

/iii/ Company buildings and land worth HRK 303,197,500 (2000: HRK 295,020,000) were pledged as collateral for borrowings.

NOTE 16 - INVENTORIES

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Raw material and supplies	189.105	202.293	111.204	114.941
Work in progress	59.672	72.331	43.612	55.010
Finished goods	146.946	137.580	83.955	77.807
Merchandise	76.307	85.912	18.883	17.993
Total	472.030	498.116	257.654	265.751

NOTE 17 - AVAILABLE-FOR-SALE INVESTMENTS

	Holding %	Podravka Group		Podravka d.d.	
		2001	2000	2001	2000
		<i>(in thousands of HRK)</i>		<i>(in thousands of HRK)</i>	
Investments in associated companies:					
Panonska pivovara d.o.o., Koprivnica /i/	40,00	70.207	83.699	63.973	63.973
Elite Hrvatska d.o.o., Koprivnica	20,00	1.434	1.434	1.434	1.434
		71.641	85.133	65.407	65.407
Investments in equity instruments:					
Gospodarsko kreditna banka d.d., Zagreb	2,43	1.648	2.063	1.648	2.063
Podravska banka d.d., Koprivnica	3,00	839	1.325	839	1.325
Privredna banka d.d., Zagreb	0,06	0	1.002	0	1.002
Croatia osiguranje, Zagreb	0,16	1.450	700	1.450	700
Other		922	1.397	922	1.098
		4.859	6.487	4.859	6.188
Total investments		76.500	91.620	70.266	71.595

/i/ A decrease in investment by the corresponding portion of the accumulated loss incurred by the related company, Panonska pivovara d.o.o., was made in the amount of HRK 13,492,000. Of this amount retained earnings of the Group were decreased by the portion of the loss incurred in the previous period (HRK 6,879,000) (Note 27 /viii/), and the portion relating to the loss incurred in the current period was charged to the income statement of the Group in the amount of HRK 6,613,000.

NOTE 18 - TRADE RECEIVABLES

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Trade receivables	767.657	710.362	222.365	234.556
Provisions	(188.926)	(181.187)	(98.877)	(93.973)
Net trade receivables	578.731	529.175	123.488	140.583
Due from associated companies	-	-	144.427	159.435
Prepayments	2.449	4.068	1.305	2.809
Total	581.180	533.243	269.220	302.827

NOTE 19 - OTHER RECEIVABLES AND PREPAID EXPENSES

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Deferred tax assets /i/	-	30.374	-	30.374
Receivables for retained earnings from affiliated companies	-	-	41.954	606
Interest receivable on loans to a affiliated companies /ii/	-	-	12.362	9.621
Interest receivable on loans to non- affiliated companies	1.764	968	1.386	864
Tax receivable /iii/	21.557	25.635	1.697	6.833
Due from employees	2.788	2.461	2.008	2.171
Prepaid expenses	3.098	4.927	28	27
Over-due receivables for long-term loans to affiliated companies /ii/	-	-	21.132	-
Over-due receivables for long-term loans to non- affiliated companies	2.123	-	2.123	-
Other	8.967	8.099	2.669	2.410
Total	40.297	72.464	85.359	52.906

NOTE 19 - OTHER RECEIVABLES AND PREPAID EXPENSES (cont.)

/i/ In the 1998, deferred tax assets were recorded in the balance sheet and income statement in the amount of HRK 30,374,000. Deferred tax assets are a result of accumulated tax losses for previous periods available for carry forward within five years.

The Company had an obligation to estimate, on each balance sheet date, from 1998 to 2001, the probability of utilisation of the stated tax assets in relation to available taxable profit. The Company's plan for 2002 does not provide evidence on whether sufficient amount of taxable profit will be realised against which the stated tax assets could be utilised.

For this reason, the Company's retained earnings in 2001 were decreased by the total amount of deferred tax assets of HRK 30,374,000 (Note 27 /viii/).

/ii/ Over-due receivables for loans to associated companies (Note 13) and interest receivable of HRK 32,438,000 relate to loans granted to Belupo d.o.o. Koprivnica.

/iii/ Tax receivable relates to value added tax prepayments.

NOTE 20 - SHORT-TERM LOAN RECEIVABLES

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Short-term loans to subsidiary - Podravka-Inter-national Sp.z o.o., Warsaw, Poland	-	-	44.687	-
Other	4.772	6.372	-	1.549
Total	4.772	6.372	44.687	1.549

NOTE 21 - CASH AND CASH EQUIVALENTS

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Cash with banks	65.106	39.479	28.781	12.236
Cheques received	297	460	95	130
Bills received	6.705	89	6.675	-
Deposits	85	45	26	22
Total	72.193	40.073	35.577	12.388

NOTE 22 - LONG-TERM DEBT

	Interest rate	2001	2000
		<i>(in thousands of HRK)</i>	
Podravka d.d.			
Repayment due in 2001	5,76%-8,50%	-	129.589
Repayment due in 2002	4,33%-8,50%	94.480	141.841
Repayment due in 2003	5,85%-8,50%	57.424	26.712
Repayment due in 2004	5,85%-7,90%	53.813	21.974
Repayment due in 2005 and thereafter	5,85%-7,90%	67.025	12.332
Total long-term debt		272.742	332.448
Current portion of long-term debt		(94.480)	(129.589)
Total long-term debt excluding current portion		178.262	202.859
Podravka Group			
Repayment due in 2001	4,11%-14,20%	-	212.590
Repayment due in 2002	4,11%-14,20%	176.870	225.221
Repayment due in 2003	4,11%-14,20%	115.810	84.269
Repayment due in 2004	4,11%-14,20%	90.968	56.810
Repayment due in 2005 and thereafter	5,15%-14,20%	104.227	23.836
Total long-term debt		487.875	602.726
Current portion of long-term debt		(176.870)	(212.590)
Total long-term debt excluding current portion		311.005	390.136

The majority of long-term loans carry variable interest rates based on LIBOR, EURIBOR, WIBOR and TOM. The interest rates included in the table above have been calculated as at 31 December 2001.

Total secured loans to Podravka d.d. amount to HRK 187,492,000 (2000: HRK 211,973,000) and secured loans to the Group amount to HRK 401,176,000 (2000: HRK 480,843,000).

NOTE 23 - LONG-TERM PROVISIONS

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Restructuring provisions	-	62.504	-	39.180
Total	-	62.504	-	39.180

The provision stated as at 31 December 2000 related to restructuring costs in respect to severance payments for redundant employees. In 2001, severance payments were paid to employees whose employment contracts were terminated (Group: 386 - Podravka d.d.: 242).

NOTE 24 - TRADE PAYABLES

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Trade payables	338.816	300.733	164.214	128.212
Due to associated companies	-	-	51.681	50.382
Total	338.816	300.733	215.895	178.594

NOTE 25 - OTHER LIABILITIES

<i>(in thousands of HRK)</i>	Podravka Group		Podravka d.d.	
	2001	2000	2001	2000
Salaries and other payments to employees	47.238	42.184	30.166	26.370
Dividend payable	124	131	124	131
Interest payable on borrowings	8.744	15.002	5.755	10.915
Taxes payable	30.773	25.622	11.809	15.306
Other payables	22.305	23.621	8.414	5.945
Total	109.184	106.560	56.268	58.667

NOTE 26 - SHORT-TERM BORROWINGS

	Interest rate	2001	2000
		<i>(in thousands of HRK)</i>	
Podravka d.d.			
Banks	5,86%-8%	27.619	59.094
Other	5,90%-6%	7.505	10.714
Total		35.124	69.808
Podravka Group			
Banks	5,86%-13,75%	103.125	114.487
Other	5,90%-6%	7.505	10.714
Total		110.630	125.201

NOTE 27 SHAREHOLDERS' EQUITY

/i/ As at 31 December 2001, the share capital amounts to HRK 1,812,808,800, and consists of 6,042,696 shares, with a nominal value of HRK 300 each. These shares are comprised as follows:

- 5,406,696 are ordinary shares, amounting in total to HRK 1,622,008,800, and
- 636,000 are preferred shares, amounting in total to HRK 190,800,000.

In 1993, the subscribed share capital was stated in the equivalent amount of DEM 523,524,700, consisting of 5,235,247 shares, with a nominal value of DEM 100 each (or HRK 380.18 each as translated using the exchange rate in effect on the date of initial registration). In 1996, the nominal value per share was reduced to HRK 300. As at 31 December 1996, such reduced subscribed share capital of Podravka d.d. amounted to HRK 1,570,574,100, and other reserves of the Company were increased by the amount of decrease in the share capital (HRK 419,762,100).

During 1997, 171,449 ordinary shares were issued, with a nominal value of HRK 300 per share, representing an additional share capital in the amount of HRK 51,434,700. These shares were sold at HRK 370 each, which resulted in a total share premium in the amount of HRK 12,001,430.

In 1998, the share capital was increased by an additional amount of HRK 111,900,000 by issuance of 373,000 A

NOTE 27 SHAREHOLDERS' EQUITY (cont.)

series preferred shares. In 1999, the share capital was increased by HRK 78,900,000 by issuance of 263,000 B series preferred shares. The nominal value of A and B series shares is HRK 300 each. The preferred shareholder is the European Bank for Reconstruction and Development (the EBRD). The agreements reached with the EBRD pursuant to the contract on subscription of shares are as follows:

- For the first three years, the dividend per preferred share amounts to DEM 6.00 per share, and thereafter to DEM 8.50 per share;
- Within five years from the subscription of the preferred shares, the Bank may convert them into ordinary shares at a price of one preferred share for one ordinary share;
- The Bank may require from the Company to redeem all of the Bank's preferred shares if conditions for an accelerated redemption are created;
- If the Bank wishes to sell the preferred shares, such sale should first be offered to the Company;
- In case of inability to sell or transfer the preferred shares due to liquidation of the Company, the Company shall pay the Bank the price of the shares offered;

The Company is to adhere to certain financial conditions, such as: certain current liquidity ratios, profitability ratios and net value of tangible assets.

/ii/ The principal shareholders and their respective holdings are as follows:

	31 December 2001		31 December 2000	
	Number of shares	%	Number of shares	%
Ordinary shares				
Shareholders - legal entities	2.460.931	40,73	2.454.655	40,62
Shareholders - individuals	2.045.219	33,85	2.118.832	35,07
Croatian Privatisation Fund	738.880	12,22	767.120	12,69
Treasury shares	161.666	2,67	66.089	1,09
Total	5.406.696	89,47	5.406.696	89,47
Preferred shares				
EBRD	636.000	10,53	636.000	10,53
Total	6.042.696	100,00	6.042.696	100,00

NOTE 27 SHAREHOLDERS' EQUITY (cont.)

/iii/ For 2000, the total dividend for preferential shares amounted to DEM 4,041,250, or HRK 14,822,000, and was paid to the EBRD in July 2001.

/iv/ The legal reserve is required under Croatian law and must be built up to a minimum of 5% of the profit for the year until the total reserve reaches 5% of the Company's share capital. This reserve is not distributable. In 2001, the amount of HRK 1,459,000 relating to the profit for 2000, was transferred to legal reserve. An additional amount of HRK 1,387,000 was allocated to other reserves in accordance with the provisions of the Company's Statute.

/v/ Pursuant to the Management's decision, the loss in respect of 1999 was covered from other reserves in July 2000

/vi/ In 2001, 95,577 (2000: 3,348) of treasury shares, with a total nominal value of HRK 28,673,100 (2000: HRK 1,004,000) were purchased at the total cost of HRK 16,488,586 (2000: HRK 1,004,000).

/vii/ Revaluation reserve represents the result of the 1999 valuation of land and buildings. In 2000, this reserve was reduced by value adjustment of land in the amount of HRK 493,000.

/viii/ Retained earnings of the Group from previous periods was reduced in 2001 by the amount of HRK 68,811,000 as follows:

- the amount of HRK 31,558,000 is the result of applying different accounting policies in recording the expected useful life of tangible and intangible fixed assets in the financial statements of the subsidiary Belupo d.o.o. and the financial statements of this subsidiary stated within the Group, which previously resulted in overstating Group profits (Notes 14 and 15).
- the amount of HRK 6,879,000 relates to a decrease in investment by the corresponding portion of the accumulated loss of the related company, Panonska pivovara d.o.o., which was incurred in the previous period (Note 17/i/).

Retained earnings of HRK 30,374,000 was reduced by deferred tax assets recorded in 1998 (Note 19/i/).

NOTE 28 - MANAGEMENT BENEFITS

In 2001, benefits paid to members of the Management Board and the Supervisory Board amounted to HRK 4,822,000 (2000: HRK 3,506,000) and HRK 1,297,000 (2000: HRK 1,113,000) respectively.

NOTE 29 - MINORITY INTERESTS

	31 12 2001	31 12 2000
	<i>(in thousands of HRK)</i>	
At 1 January	164.214	128.212
Share of net profit for the period	51.681	50.382
Total	215.895	178.594

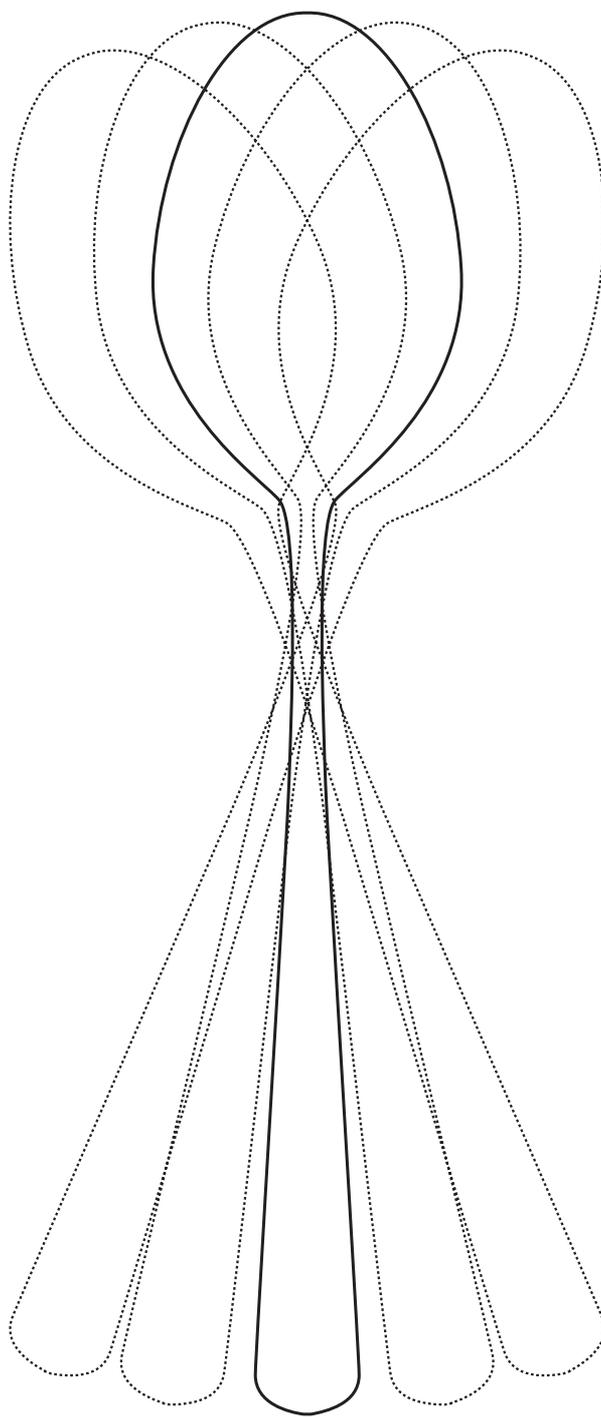
NOTE 30 - COMMITMENTS

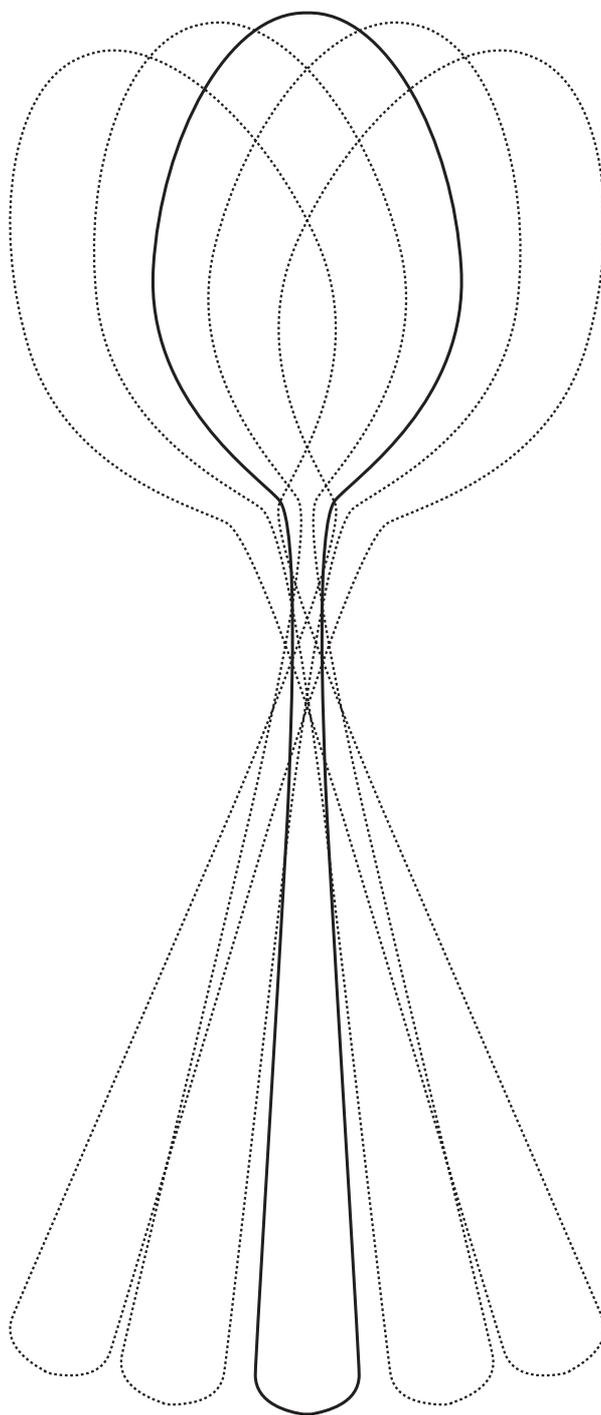
<i>(in thousands of HRK)</i>	Grupa Podravka		Podravka d.d.	
	2001	2000	2001	2000
Unrealised commitments /i/	26.710	17.847	4.657	9.722
Guarantees for borrowings	327.896	342.672	326.536	331.010
Total	354.606	360.519	331.193	340.732

/i/ This item represents purchase cost of tangible fixed assets as contracted with suppliers, which have not yet been incurred and thus not included in the balance sheet as of 31 December 2001.

NOTE 31 - POST BALANCE SHEET EVENTS

Following approval of the financial statements by the General Assembly, based on the subscription contract for preferred shares, the dividend for 2001 will amount to DEM 8.50 per share and the total amount of dividend will be DEM 5,406,000 (HRK 20,452,000).







Podravka d.d. Supervisory Board Report on the completed supervision of business conduct

This report covers the period from January 1st 2001 to December 31st 2001.

During the business year 2001 the Supervisory Board continuously supervised the conduct of business in Podravka d.d. in congruence with the provisions of the Companies Act, Articles of Association of Podravka d.d., and the Supervisory Board Rules of Procedure, making decisions and drawing conclusions on all together six meetings held during the year 2001. Among other things, the Supervisory Board decided to agree on the following:

- ~ The decision to sell Podravka d.d. assets used for the production of yeast,
- ~ The change of the Share Subscription Agreement between Podravka d.d. and EBRD,
- ~ The decision to establish Podravka International s.R.L. in Romania,
- ~ The decision considering bank borrowings
- ~ The decision considering the acquirement of treasury stock.

In the process of supervising the conduct of business of Podravka d.d. during 2001 the Supervisory Board discussed the Management's Business Reports for the periods:

- ~ January - February of 2001,
- ~ January - March of 2001,
- ~ January - June of 2001 and
- ~ January - September of 2001.

In the reporting period the Supervisory Board of Podravka d.d. (hereinafter: Supervisory Board) in the period from January 1st 2001 till September 3rd 2001 consisted of: Božo Prka, Slavko Antolić, Franjo Cirkvenec, Marko Ećimović, Sonja Klingor, Zvonimir Majdančić, Darko Ostoja, Juliet Sjöborg and Ivana Vujić.

In the period from September 3rd 2001 till October 1st 2001 the Supervisory Board consisted of: Božo Prka, Slavko Antolić, Nataša Badovinac, Franjo Cirkvenec, Marko Ećimović, Sonja Klingor, Zvonimir Majdančić, Juliet Sjöborg and Ivana Vujić.

In the period from October 1st 2001 till December 31st 2001 the Supervisory Board consisted of: Božo Prka, Slavko Antolić, Nataša Badovinac, Franjo Cirkvenec, Marko Ećimović, Sonja Klingor, Juliet Sjöborg and Ivana Vujić.

Having insight into the conduct of business of Podravka d.d. the Supervisory Board established that in the year 2001 Podravka d.d. functioned in compliance with the laws and acts of Podravka d.d. On April 8th 2002 the Supervisory Board adopted the decision of Podravka d.d. to accept the basic financial reports for the year 2001 and on May 13th 2002 it approved the proposal of Podravka d.d. Management for the use and distribution of profit from the business year of 2001, and forwarded certain decision proposals to the General Assembly of Podravka d.d. for adoption. The Supervisory Board established that the financial reports of Podravka d.d. provide a true and fair presentation of the assets, liabilities and capital of Podravka d.d.

Supervisory Board Director:

BOŽO PRKA, M.A

Stuffed roast meat in wine: 75 dg rib roast no bones / stuffing: 2 pears/5dg raisins without kernels, lemon juice / 12 dg one-day-old rolls / 2 tablespoons milk/ 5dg butter / 1 egg / 1 yolk / parsley / salt / pepper / 4 tablespoons oil / 5 dg dried bacon / 1 onion bulb / 1 bundle soup vegetables (carrot/ parsley/ celery) / 2 dl white wine / pepper grains / bay leaf / vinegar / 1 Vegeta tablespoon / First prepare the stuffing: cut pears and raisins (if necessary moist them before) in cubes and sprinkle over with lemon juice. Cut rolls into cubes and sprinkle with 2 tablespoons of milk. Mix butter (3dg) foamy with yolk and egg to combine and add bread and fruit cubes. Add salt / pepper / add freshly chopped parsley and mix well. **Then prepare meat:** Cut it into length and open like a book / so to get a big steak. Batter well / add pepper and sprinkle with Vegeta. Arrange the stuffing over the meat and roll firmly. Tie with thread and sprinkle with salt. Roast the meat all over in a hot oiled tin. Fry bacon / onions and vegetables separately in a pan and add to meat. Add a little vinegar and wine / add bay leaf and pepper grains. Cover with aluminium foil and bake in a preheated oven on 200 C for 60 minutes. Before baked, remove the foil and brown, add the wine left and water if necessary. Remove from oven / remove thread and slice it. Arrange on a warm plate and baste with strainer run sauce mixed with butter. As trimming serve potato dough horns. **Florentine rolls :** 2 pork filets (50 dg each) / 20 dg frozen spinach / 10 dg fresh cow cheese / 10 dg carrots / 2 cloves of garlic / 1 teaspoon Gussnela flour / 1 egg / salt / pepper / frying and roasting oil / 2 Vegeta tablespoons / Peel the skin from pork filets / cut into lengths, beat well with mallet to get bigger chops. Cook carrots and cut into strips / combine filtered spinach / fresh cow cheese / squeezed garlic / mixed egg / pepper and Vegeta. Arrange half the spinach and cheese mixture over the prepared steak / cover with cooked carrots and roll the steak. Fasten the ends with toothpicks and add sprinkle with some salt. Do the same with the other half. In oiled pan shortly fry prepared rolls. Then put them on greased tray / water / cover with alu foil and bake in the oven on 200 C for 50 minutes. When done, remove the toothpicks / cool and slice. Filter dripping / add flour previously mixed with water and cook shortly. Baste with dripping and serve with cooked potatoes. **Twist patty :** 40 dg turkey breasts / 25 dg turkey liver / 25 dg butter / 3 dg dry bacon / 1 Vegeta tablespoon for turkey / 1dl cream / grated nutmeg / 3-4 sour cucumber / 2 tablespoons cognac / 2 tablespoons lemon juice / Cut turkey meat and liver into cubes and fry on 5 dg butter. Add cut bacon and Vegeta. Twist for turkey / stew adding water until tender. Cool meat and liver and then grind. Mix rest of butter / add ground meat and liver / cream / grated cucumbers / nutmegs / lemon juice to combine well. Put the patty mixture into a long mould or smaller ones / cool. Remove cooled patty from moulds and serve with toast. **Fine spinach trimming:** 1 kg spinach / 1 clove of garlic / 3 tablespoons olive oil / 2 cubes Podravka meat soup / salt / pepper / nutmeg / 4 eggs / 4 tablespoons cream / 3 dg butter / bread crumbs / Clean and wash Podravka Spinach / drain well. Stew on olive oil for 3-5 minutes. Add chopped garlic / meat soup cubes / pepper / nutmeg / combine and cool. Separately mix eggs and sour cream / add to spinach. Grease suitable pan or refractory bowl with butter / sprinkle breadcrumbs / put spinach with eggs / arrange butter leaves around and put into oven for 10-15 minutes. This dish combines well as trimming to roast meat dishes. **Fried cutlets with mushrooms:** 8 small pork cutlets / salt / pepper / frying oil / 4dg butter / 20 dg mushrooms / 1 clove of garlic / parsley / 1 dl wine / 1 dl cream / 1 Vegeta teaspoon / hot pepper / Cut cutlets in ends / batter them. Sprinkle salt /pepper and fry on hot oil on both sides. Fry sliced mushrooms separately on hot butter. Add Vegeta / chopped garlic / hot pepper / add water and wine. Leave to boil shortly / add cream mixed with Gussnel. Baste fried hot cutlets with this sauce and sprinkle with chopped parsley. As trimming serve string noodles or potato croquettes. **Piroške :** Dough : 4dg fresh leaven / 1 teaspoon Vegeta / 2 tablespoons tepid milk / 15 dg cooked potatoes / 5 dg butter / 35 dg flour type 500 Podravka / salt / 2 yolks / 1.5 dl milk. Stuffing : 12 dg ham / 1.5 dl sour cream / pepper / parsley / frying oil / Mix leaven/ Vegeta and 2 tablespoons milk and leave on warm to rise. In separate bowl put flour / cooked and pressed potatoes / butter / salt / yolks / risen leaven / combine with warm milk into dough. While on warm / prepare stuffing: cut ham into small cubes / add pepper / chopped parsley / cream and combine well. Roll the dough 1 cm flat and cut shapes 8 x 4cm. Put the stuffing on length of every fourth / shape piroškas and fry in hot oil for 10 minutes. Serve hot / taste well cold too / especially with milk and yogurt. **Jelačić slices:** Shortcake: 18 dg sugar / 18 dg walnuts / 9 dg cocoa powder / 6 yolks / 6 egg-whites. Cream: 1 dl milk / 35 dg chocolate / 2 dl cream / chocolate glaze. Mix yolks and sugar foamy / add cocoa powder and ground walnuts. Gently add whipped egg-whites. Bake in str-



Supervisory Board

BOŽO PRKA, *Supervisory Board Director*

Mr. Božo Prka was born in 1958. He graduated from the Faculty of Foreign Trade of the University of Zagreb, and won a master's degree at the Faculty of Economics of the University of Zagreb. He was the Sales Director, and later on the Financial Director of Diona Zagreb, a financial consultant in Progres, a consulting company, and a consultant for taxes and bookkeeping in TEV Zagreb. In 1992 he was appointed assistant to the Minister of Finance and in 1993 he became the Deputy Minister of Finance. From 1994 till 1997 he was the Minister of Finance in the Croatian Government. For the Chairman of the Board of Privredna banka Zagreb d.d. he was appointed in 1998. In 1996 he was elected Minister of the Year - an annual award of the Central European magazine. He took part and spoke at numerous conferences and seminars organized by the European Council, EPFAS, Euromoney and Wall Street Journal.

SLAVKO ANTOLIĆ,
Deputy Director of the Supervisory Board

Mr. Slavko Antolić was born in 1953. He graduated from the Faculty of Medicine of the University of Zagreb and specialized in epidemiology.

He won his master's degree in epidemiology and public health. He has attended numerous courses and seminars in the field of computers, management, finance, bookkeeping and foreign languages. From 1978 till 1991 he worked in health institutions as a general practitioner and epidemiology specialist (four years of that time he was head of department). In 1991 he worked in the Ministry of Defense - Health Department - as a senior expert consultant in the field of health protection of the Croatian Army members and he actively participated in the war. From 1993 till 1995 he worked in a private firm on the marketing and sales of medical equipment, disposable material for healthcare and drugs. From June 1995 till the present day he has been working in Belupo d.o.o. as the Sales Director's Assistant in the Marketing Department, then as the Marketing Director and now he works as the Assistant Director of Belupo.

FRANJO CIRKVENEC, *Supervisory Board member*

Mr. Franjo Cirkvenec was born in 1953. He is a law graduate from the University of Zagreb. In 1978 he started working at the Municipality of Koprivnica as Legal Administrator. From 1981 till 1991 he was the Director of the Property-rights Department at the Municipality Assembly of Koprivnica. After that he was transferred to the Executive Council of the Municipality of Koprivnica taking the position of secretary and coordinator of administrative organs in specialized services of the Municipality of Koprivnica. In 1993 he became an independent consultant in the Office of the Director of the Croatian Work-

light-sided pan for 20 minutes on 180 C. Cool the shortcake and cut in half lengthways. Boil milk / melt chocolate on steam / add to milk. Cool well and combine with whipped cream. Smear a shortcake slice with half the cream / put the other slice on cream. With the rest of cream smear the cake surface / coat with chocolate glaze. Refrigerate and cut into slices. **Fish cream soup:** 1 kg white sea fish / grooper, dory, conger eel, hake) / 1-2 bulbs of onion / 2 cloves of garlic / 60 dg tomatoes / ground hot pepper / 1 saffron in powder / bay leaf and parsley / 1 glass of cognac / 6 tablespoons olive oil / 8 thin slices French bread / grated sheep cheese / 1 Vegeta tablespoon. **For hot pepper/ ground saffron / salt / 2.5 olive oil.** Chop the cleaned fish / add salt / and fry on very hot olive oil. Put in a pot kept warm. Fry onion cut in rings and squeezed garlic on the rest of oil. Baste the fish. Add cognac to the pan and add to fish. Water with 1.5 l and leave on gentle fire.. Add chopped tomatoes / saffron / Vegeta / bay leaf / and parsley. Leave to simmer for 1 hour. In the meantime fry bread slices and make yellow sauce rouille : Crush garlic finely / add yolks and make mayo gradually adding oil. Add ground hot pepper / saffron and salt. Take aromatic grasses. Put the cooked fish on a plate / remove bones / press through the sieve together with its stew. Put back in a pot / add salt if necessary / spice with hot pepper. When serving on every plate put 2 toasts / smeared with prepared sauce and sprinkled with sheep cheese. **Shrimps croquettes:** 70 dg shrimps (prawns or scampi) / 8 dl water / 8 dg flour / 4 dg butter / 1 tablespoon bread crumbs for breading / frying oil / 1 Vegeta tablespoon. In boiling water add Vegeta / washed shrimps and simmer for 5 minutes Then drain the stew and keep it. Remove scale from shrimps. Cool the meat and cut finely, remove the scales into stew and simmer for 20-30 minutes. On warm butter fry flour lightly / baste with filtered and cooled shrimps stew (2/5 dl) and cook stirring / until creamy combined mixture. Add shrimps / pepper / salt and cool. Shape croquettes or balls size of walnuts. Dip into whisked eggs / then into breadcrumbs and fry in hot oil until gold. Put on kitchen absorbing paper to soak fat. As trimming to these tasty croquettes serve salads and ketchup and mayo sauces. **Walnut and poppy twigs:** Dough : 1 bag instant Di-go leaven / 40 dg Podravka rise flour / 8 dg butter / 2 yolks / salt / lemon peel / 2 dl milk. Walnut stuffing : 20 dg walnuts / 5 dg raisins / 15 dg sugar / cinnamon / 2 tablespoons rum / 1 dl milk / 12 dg vanilla sugar / Dolceta / 5 dg molten butter / sugar in powder. Poppy stuffing : 15 dg poppy, 1 dl milk / 12 dg sugar / 5 dg raisins / lemon peel / cinnamon / 2 tablespoons rum / vanilla sugar / Dolceta / 5 dg molten butter / sugar in powder. To warm flour add Di-go leaven and stir / add molten butter / sugar / yolks / a little salt / lemon peel and with warm milk make soft dough. Combine well until smooth and bright. Leave on warm place covered to rise and double the volume. Roll 1 cm flat, square shape if possible. Smear half the dough with butter and cooled walnut stuffing / other half with poppy stuffing. Fold each half to the middle and put them carefully into greased tin (cca 35 x 20 cm). Leave for 10 minutes / bake on 200 C for 50 minutes. Sprinkle sugar and cut cool. Walnut stuffing : ground walnuts mix with sugar / vanilla sugar / raisins dipped in rum / cinnamon / and boiling milk / stir well and shortly on hot fire. Poppy stuffing : smear ground poppy with boiling milk. Add sugar / raisins dipped in rum / lemon peel / cinnamon / vanilla sugar / mix well. **Christmas cake:** Dough: 5 eggs / 21 dg sugar / 1 vanilla sugar / Dolceta / 50 dg chestnut puree / 2 tablespoons rum / 2 tablespoons Krema flour: Cream: 17 dg chestnut puree / 1 dl milk / 15 dg butter / 15 dg powder sugar / 1 vanilla sugar / Dolceta / rum chocolate coat / whisked cream / Separate yolks fro egg-whites. Combine yolks with sugar / vanilla sugar and whisk with mixer well. Add rum and flour. Whip egg-whites / add to the mixture / add chestnut puree. Separate the mixture into two and bake each in 24cm diameters cake moulds. Bake shortcake on 180 C for 30 min. Smear one cooled shortcake with cream / cover with another. Refrigerate to firm. Coat the cake with chocolate / decorate with whipped cream and marzipan decorations. Prepare the cream : combine butter with powder sugar and vanilla sugar foamy. Shortly simmer chestnut puree in milk / add rum / cool. Combine with foamy butter and mix well. **Cooked stuffed hen:** 1 hen (about 1.5kg) / 15 dg carrots / 8 dg celery. Stuffing: 5 dg sheep cheese / 12 dg bread / 1 egg / freshly ground pepper / salt / parsley / 2 cloves of garlic / 1 Vegeta tablespoon. Clean the hen and vegetable. Grate cheese. Chop garlic and parsley. Mix prepared bread with whisked eggs / cheese / parsley / and garlic. Spice with ground pepper and sprinkle with salt if necessary. Mix well and stuff the hen. Saw the hole or fasten with toothpicks. Put the hen into salty boiling water with carrots and celery / salt and Vegeta. Simmer lightly until tender. Remove from soup / cut into half and remove stuffing. Slice the stuffing and arrange

er's Pension and Disability Insurance Fund at the central office in Zagreb. Since 1994 he was appointed Director of the Regional Office of the Croatian Worker's Pension and Disability Insurance Fund in Koprivnica.

NATAŠA BADOVINAC, *Supervisory Board member*

Mrs. Nataša Badovinac, Supervisory Board member, was born in 1969. In 1993 she graduated law in Zagreb. From 1993 till 1996 she did her student practical training at the Law firm of Bendel Gerhard and Partners, solrs. Würzburg, Germany. She worked as a law trainee at the lawyer's office of Ž. Olujić in Zagreb, then in the lawyer's office of T. Burjačenko-Grubiša, also, in Zagreb. She is an associate in the Lawyers Committee for Human Rights, New York and a legal adviser for the Antiwar Campaign - Protection of Human Rights (non-government organization). She, also, did her training in the Law firm of Herbert Smith in London, England as a foreign lawyer. She was registered in the Book of Lawyers at the Croatian Bar Association in 1997 and she did her training at the international law firm Weiss-Tessbach in Vienna and Prague. In the period from 1997 till 2000 she established a law office and was contracted to the international law office of Weiss-Tessbach in Vienna, with headquarters in Zagreb. She attended many courses and advanced studies in the country and abroad, speaks several foreign languages (English, German, Slovakian and Italian). She was appointed Vice-president of the Legal Sector at the Croatian Privatization Fund in the year 2000 and is still working there.

MARKO EĆIMOVIĆ, *Supervisory Board member*

Mr. Marko Ećimović, M.A. of Science, Supervisory Board member was born in 1947. He graduated from the Faculty of Economics in 1969 in Osijek and won his master's degree at the same faculty in 1999. In 1970 he started working in Podravka as a planner-analyst and was the Director of the Organization and Distribution Sector from 1975 till 1979. From 1979 till 1983 he was the Director of the Investment-planning Sector, and from 1983 till 1986 the Director of Podravka-Belupo. From 1989 till 1991 he was member of the Management Board of Podravka in charge of economics, bookkeeping and computer engineering matters, and from 1991 till 1996 he was consultant to the President of the Management Board. In the period from 1990 till 1994 he was especially active in the process of company evaluation and transformation as its leader. From 1998 he has been working as consultant in the Sector of Finance. He has won several social awards for economic and social development. Speaks German fluently.

SONJA KLINGOR, *Supervising Board member*

Mrs. Sonja Klingor was born in 1951. She graduated from the two-year post-secondary Medical School in Zagreb. She worked in Merkur and Jordanovac Hospitals and in the Institute of Public Health of the City of Zagreb. In June of 1991 she joins the Health Care Headquarters of the Croatian Republic. From 1992 she worked in the Department for Exiles and Refugees of the Croatian Government. At first she was a program coordinator of the European union help,

with hen chops on a warm plate. Decorate with cooked vegetables / baste with soup and some lemon juice and sparkle with parsley. If wanted, you can serve with horse-radish. **Dionnaise turkey:** 1.30 dg turkey breasts (1 piece) / 1 tablespoon Dijon mustard / 1 tablespoon grape mustard (mustard with ground mustard-seed) / freshly ground black pepper / salt / 1 dl white wine or 0.5 dl vermouth / 3 dg butter / 3 dl cream / 2-3 apples / 2-3 pears / 0.5 dl oil / 1 Vegeta tablespoon. Marinade turkey: smear the meat with mustard and Vegeta mixture. Leave on room temperature for two hours. Put oil in baking pan / marinated turkey breasts / sparkle with pepper and bake on 180 C for 90 minutes During baking, occasionally water / before done baste with wine or vermouth. Warm butter in a pan / add peeled and sliced apples and pears / stew shortly / add cream / mustard collected from the meat surface / and dripping. Moderate temperature lower and cook the sauce for 5-10 minutes. If necessary sparkle with pepper and salt / and baste over cut meat. Serve warm with cooked noodle stripes. / rice or corn soufflé. **Sour beet with rolls:** 1 kg sour beet / 4 dg dry bacon / 4 cloves of garlic / 1 tablespoon flour / bay leaf / salt / grains of pepper / 1 Vegeta tablespoon. For trimming : 1 Cmok potato pasta mixture. Rinse sour beet if too sour and cook with bay leaf / grains of pepper and Vegeta. Finely chop dry bacon and garlic in a mixer or chop finely / add beet and leave to simmer until tender. Before done, add flour mixed with water and sparkle with salt if necessary. While cooking beet / prepare rolls from Cmok potato pasta according to the recipe on the packaging or take done from the freezer / cook before serving. Serve beet with rolls sparkled with butter-fried breadcrumbs. **Cod fish with potatoes:** 40 dg dry cod / 1.5 kg potatoes / 4 cloves of garlic / 2.5 olive oil / bay-leaf / salt / pepper / lemon juice or dry white wine / Vegeta parsley. Grate off soaked and tender cod and put in cold water to boil. Simmer for 30 minutes Remove cod / (save stew) remove skin and bones and chop big parts. Warm some chopped garlic on half the oil in a bigger pot. Cover with some peeled potatoes cut in slices. Sparkle with Vegeta / garlic / a lot of chopped parsley and pepper. Cover with fish layer and arrange until no fish and potatoes left. Last layer must be potatoes / sparkle with salt and baste with stew from the cod to cover. Add bay leaf, oil left and cook without stirring until potatoes turn tender. Shake the pot. Before done, add some white wine and sparkle with chopped parsley. **Stewed onion soup:** 3 big onions / 4 tbs. of butter / salt / white pepper / 1 tbs. of flour / 2 dl white (dry) wine / 7 dl warm water / 4 smaller slices of white bread / 4 dg grojer cheese / 1 cube of hen soup Podravka. Cut the onions into thin slices. Fry the onions on 2 tbs. heated butter till it becomes golden. Add flour and gradually 3 l of water. Add the cube of the hen soup / pepper and arrange it in a fireproof bowl. Remove the onion soup from the stove, add wine and pour over the bread. Sprinkle with shredded cheese and brown it for about 10 minutes in an oven at 220°C until the cheese melts and gets brownish. **Christmas bread:** 12 dg prunes / 1.5 dg hazelnuts / 12 dg figs / 20 dg raisins / 3 eggs / 1 vanilla sugar Dolceia / rum / a knife tip of cinnamon / 12 dg of flour type 500 Podravka / 5 dg Gussnel starch / 1 tsp. baking powder Dolceia / lemon and orange peel. Cut the hazelnut into bigger pieces / cut the figs into squares / shortly boil the prunes / drain them / cool them and cut them into pieces. Moisten the raisins in the rum. Stir foamy the eggs / add sugar / vanilla sugar and stir for a few minutes longer. Add cinnamon a flour mixed with Gussnel and baking powder / prepared dry fruit / grated lemon and orange peel and mix it all up slowly. Cover a longish mold (30x11 cm) with parchment paper and fill it with the prepared mixture. Bake it in a preheated oven at 180-200°C about 70 minutes. Cut the cold bread into slices. **Kale stew:** 1 kg kale / 30 dg potatoes / 4 dg bacon / 4 dg onion / 2 dg flour type 500 Podravka / 2 tbs. oil / 2 garlic cloves / salt / pepper / caraway / 1 tsp. Vegeta. Cut the kale into four pieces / remove damaged and hard parts / and cut it into wide stripes. Peel the potatoes and cut them into squares. Put it all into a pan and add as much hot water as needed to cover the vegetables. Sprinkle with Vegeta / add a little salt / cover the pan and cook. Separately on the heated oil fry slowly cut bacon and onions and add it to the kale. Before it is done add flour stirred in a small quantity of water / cut garlic and pepper. If you like you can add, also, some caraway. With this meal you can serve steaks. **Cooked veal kneepad:** 1 veal kneepad / 15 dg carrots / 10 dg celery / 1 smaller cabbage / 50 dg potatoes / 1 tomato / grains of pepper / salt / 2 dl dry white wine / 1 bundle of parsley leaves / tbs. Vegeta. The kneepad cut in half put into the boiling water and boil shortly. Throw out the water and put the kneepad to cook into 2 l of water, add salt / pepper and Vegeta. Let it simmer till it is half cooked. Add tomato / celery and carrots cut into stripes / and continue to cook. After about ten minutes add potatoes cut into slices / and cabbage cut into stripes. Cook till it is done / and



just before it is done add wine. Take the cooked kneepad out / remove meat from the bone / arrange it with cooked vegetables in a deeper dish / pour with soup and sprinkle with cut parsley. **Wine goulash:** 50 dg beef / 4 onions / 6 dg tomato concentrate Podravka / 2 dl wine / 20 dg potatoes / 4 tbs. oil / salt / ground red pepper / laurel / caraway / 1 tbs. Vegeta. Cut the meat into equal pieces and fry it shortly on heated oil. Add cut onions and continue to stew adding occasionally water or soup. Add laurel / caraway / Vegeta / and before it is done add a little salt if needed. Add ground red pepper / tomato concentrate / wine and potatoes cut into squares. Cook until the meat and the potatoes are tender. **Almond baklava:** 12 leaves of already made flaky dough for strudels / 25 dg butter / 20 dg almonds / 8 dg raisins / muscat nutmeg. Syrup: 30 dg sugar / 5 dl water / 1 vanilla sugar Dolcela / juice from 1 lemon. Pour the melted butter over the pan 30x15 cm and put on the bottom 4-5 leaves of the thin dough which you cut according to the size of the pan / but every leaf sprinkle with butter. Put one leaf on another and on every leaf put the mixture of almonds / raisins and ground muscat nutmeg till you run out of stuffing. On the top put 4-5 left over leaves. Before baking cut the dough with a knife in the shapes of squares or rhombus / pour the melted butter over it and put it into an oven at 200°C. Bake until Baklava gets a nice color. Take it out and pour with the cold syrup and leave it 2-3 hours for the syrup to absorb. To make the syrup boil well sugar / vanilla sugar and water and add the lemon juice. **Squid with smoked ham:** 50 dg squid / 1 dl olive oil / 3 dg cut smoked ham / 1 tbs. bread crumbs Podravka / pepper / 1 dl white wine / 1 tsp. Vegeta. Clean the squids / wash and dry them. Slices of smoked ham cut into smaller pieces and put each in a squid. Put the prepared squids to fry in a pan on well-heated olive oil. Fry them shortly on both sides / sprinkle with Vegeta and breadcrumbs / add some pepper and pour over the wine. Arrange the squids and its legs on a plate and pour the sauce over. As a side dish you may serve cooked rice. **Plate "Adriana":** 20 dg smelt (or sprat) / 10 dg cleaned mussels / 10 dg shrimp tails / 20 dg squids / 2 bags of Fant frying mixture / 3 tbs. flour. Clean / wash and drain the squids. Cut them into rings. Clean and drain fish / shrimps and mussels. Put flour in the Fant mixture for frying and stir it. Take one by one piece of fish and seafood and put it shortly through water / roll it in the prepared frying mixture / press with your fingers so that the frying mixture would stick to the fish and seafood and fry them in hot oil for 2-3 minutes. Arrange everything on a plate / decorate and serve with cocktail sauce. **Parfe squares with coffee:** Dough: 3 dg butter / 5 dg chocolate / 4 eggs / 12 dg flour / 10 dg sugar / 1 vanilla sugar Dolcela / 7 / 5 dl milk / 2 tbs. coffee instant. Mix foamy the butter and add melted chocolate. Mix egg whites and 6 dg sugar into firm snow. Mix creamy yolks the rest of sugar and vanilla sugar. Add that mixture and the other of butter / chocolate and flour to the snow made of egg whites. Put the mixture in the greased and floured pan (20x30 cm) and bake at 190°C for about 35 minutes. Prepare the parfè cream according to the instructions on the box / so that you put coffee in milk Pour the creme over the cold dough / level the surface and let it cool. Decorate the cool pastry with chocolate crumbs. **Aspic:** 5 pork feet / 75 dg pork head and skin / 8 dg carrots 7 4 dg parsley / 5 dg onion / 10 grains of pepper / 3 laurel leaves / 3 l water / 0,5 dl vinegar / 1 tbs. Vegeta. Scrape and wash the pork feet / head and skin (cut the feet first). Clean / wash and cut carrots / parsley and onions into rings. Put some cold water in a bigger pan and put meat / salt / grains of pepper / laurel / Vegeta and vinegar and cook for about 3 hours at a medium temperature. Add vegetables when the meat is half cooked. When the meat is done / take it out / separate from the bones and cut into smaller pieces. Drain the water / let it cool and remove the grease from the surface. Arrange the meat in a shallower dish / arrange the vegetables among meat and pour over warm soup where you cooked meat. Let it rest in a cold place till the fluid thickens. Afterwards cut it into squares / pour oil and vinegar over / add pepper and serve with onions. **Zyvacet with fu i noodies:** For Zyvacet: 60 dg beef / 4 tbs. oil / 15 dg onion / 2-3 garlic cloves / 1 tsp. ground sweet red peppers / 1 bundle of parsley leaves / 1 laurel leaf / 1-2 cloves / 7-8 rosemary leaves / 1 dl red wine / 1 tbs. Vegeta / salt. Dough for fu i: 35 dg flour type 500 Podravka / 2 eggs / 1 tbs. oil / 2 tbs. white wine / salt. Cut the beet into smaller pieces and fry them on the heated oil. When fluid evaporates, add onions / ground red peppers / salt / laurel leaf / Vegeta / rosemary and clove. Continue to stew at the moderate temperature adding water from time to time. Before it is done add wine / parsley and garlic. Put flour on a board / make a hole in the middle / add eggs / oil / wine and salt and with the help of some water make a firm dough. Roll the dough making it thin / cut it into stripes 3-5 cm wide / and cut the stripes into squares 3-4 cm wide. Make fu i by overlapping the opposite

later on she was the Head of the Section for Humanitarian Help and Transport. In 1996 she was appointed Chairman of the Regional Office for Refugees Zagreb until the year 2000. She was awarded a Commemorative Certificate of the Homeland War. Osijek-Baranja County awarded her with the Charter for Humanity. In 1993 he was the first person of Croatian nationality, whom was given the Medal for Humanity by the European Union.

ZVONIMIR MAJĐANČIĆ,
Supervisory Board member

Mr. Zvonimir Majdančić was born in 1943 in Vinkovci. He graduated from the Faculty of Economics in 1965, and since then he has been working in Podravka. Between 1965 and 1990 he performed duties such as the Vice-president of the Management Board of Podravka, Assistant to the Managing Director, Director of the Labor Organization Podravka - Transport of Goods, Marketing Director of the Podravka Group, Director of the Joint Services Unit of the Podravka Group, Director of the General Coordination Unit, Director of the Economy and Planning Unit, where economic analyses, planning, organizing, bookkeeping and computer engineering took place, Director of the Economics Center, Head of the Planning and Analyses Department, Head of the Department for Organizing and Distribution and an expert associate for plan and analyses. From October 7th 1990 till September 25th 1997 Mr Zvonimir Majdančić was the President of the Management Board, Managing Director and President of the Podravka Management. He

was at the head of Podravka during the Patriotic Defense War when Podravka played a significant role in humanitarian aid and in supplying food for the Croatian Army. During his mandate the transformation of Podravka into a stock company was performed and the restructuring process began. The Croatian President decorated him with the order Red Danice Hrvatske with the figure of Blaž Lorković and gave him the rank of reserve brigade officer of the Croatian Army and a Commemorative Certificate of the Patriotic Defense War. He won an award of the Croatian Council of the European Movement and the Decoration of Labor with a silver wreath. Today he is a member of the Supervisory Board of Podravka d.d. Koprivnica and consultant to the President of the Management Board of Podravka d.d. Koprivnica.

JULIET SJÖBORG, *Supervisory Board member*

Mrs. Juliet Sjöborg was born in 1963. She studied electrical engineering at the University of Pennsylvania, School of Engineering in Philadelphia. From 1986 till 1988 she worked as a system engineer in Questech Inc., USA. She studied for her M.A. degree in economics at the Universite de Nice, College of Law and Economics, and finished her second M.A. degree (MBA - Master of Business Administration) at Wharton School, University of Pennsylvania. During 1991, as a consultant for the Privatization Ministry of the Republic of Poland, she took part in the assessments of the Polish pharmaceutical industry operating in the private sector. In 1992 she started working for the European Bank for Recon-

ends of the squares one over another and press them with fingers so that they would stick to one another. Arrange them on the board and let them dry a little while. Put fuj in boiling / salty water to cook. When they are cooked drain them and serve them with Žyvacet and shredded cheese. Sour beet with beans: 1 kg sour beet / 50 dg beans / 0/5 dl oil / 4 dg flour / 8 dg onions / garlic / salt / grains of pepper / 1 tbs. Vegeta. Soaked beans boil shortly in water / drain and cook in changed water. Cook separately sour beet with laurel / few grains of pepper and Vegeta. Add cooked beet to the beans. Fry cut onions on oil / mix flour into that / pour some water over and mix all that into beet and beans. Add garlic / salt and let it boil for a while. Beet with beans will be tastier if you cook it together with some smoked meat. **Corn Maneštra:** 5 dg young corn from the corncob or canned corn Podravka / 20 dg beans / 60 dg potatoes / 10 dg smoked bacon / 10 dg smoked meat or ham / 3 garlic cloves / 1 bundle of parsley / celery leaf / 0,5 dl olive oil / salt / pepper and 1 tbs. Vegeta. Boil shortly soaked beans / drain and continue to cook the beans with smoked meat. When it is half done add pešt. You will get pešt by making a smooth mixture of bacon / garlic and parsley. Add corn / celery / potatoes cut into squares / oil / salt / pepper and 1 tbs. Vegeta. Continue to simmer until it all tenders. Take out the meat / cut it and before serving sprinkle the Maneštra with parsley. **Lentil steaks:** 20 dg lentil / laurel leaf / salt / 2 tbs. olive oil / parsley / 1 egg / 3 tbs. sour cream / 5 tbs. oak flakes / 1 Fant for steaks / some wild thyme / some ground pepper / frying oil / 20 dg Emmental cheese. Leave the lentil to soak over night / then cook it in salty water with laurel. When it is cooked / drained and cooled add all other ingredients / making Fant for steaks following instructions on the bag / and make snow from the egg whites and mix it at the end. Leave the mixture to rest awhile. Put the prepared mixture on preheated oil by using a spoon and make steaks 8-10 cm big. Fry them shortly on both sides / arrange them in a greased fireproof dish / cover with Emmental slices (or grate the cheese) / bake it shortly in an oven. Serve hot as a starter. **Potato pancakes the way young housewife makes them:** / 1 kg potato / 20 dg flour type 500 Podravka / 2 dl milk / 1 dl mineral water / 2 eggs / 25 dg salami / 2 garlic cloves / ground pepper / salt / parsley / frying oil / 1 tbs. Vegeta. Peel the potatoes / grind finely and drain. Add flour / milk and salami cut into small stripes. Into that add eggs / salt / pepper / cut parsley / garlic and Vegeta. At the end add mineral water. Heat some oil in a frying pan and in the shape of a pancake pour the prepared mixture. Fry pancakes on both sides until they become golden. You can serve these pancakes "placke" with all kinds of salads or in wintertime with stewed sour cabbage. **Sour chicken soup:** 60 dg chicken / 4 dg oil / 1 carrot / 1 parsley / 3 dg celery / 1 tbs. flour / salt / pepper / lemon peel / marjoram / laurel / some wine vinegar / 1 tbs. Vegeta. Put cut chicken on the hot oil and fry on all sides. Add cut onions / carrot / parsley and celery cut into rings or stripes and fry shortly. Add salt / flour and stir well. Pour 8-10 dl water over. Add Vegeta / pepper / marjoram / laurel and lemon peel. Simmer till the meat gets tender. Add vinegar according to your taste and serve with cooked potatoes. **Leek in beshamel sauce:** 1kg leek / 2 cubes of hen soup / 6 dg butter / 1 tbs. flour type 500 Podravka / 2 tbs. Parmesan / some white wine / nutmeg / 8 thin slices of pork / Worcester sauce. Clean the leek / shorten the green part if necessary / bigger leeks cut in half lengthwise. Tie 5-6 pieces together and cook in half liter of water in which you added 2 cubes of hen soup. In the mean while put flour on warm butter and stir and pour 2/5 dl of soup in which you cooked the leek. Cook until the sauce thickens / add parmesan / wine and grated nutmeg. Wrap the leek with meat slices / arrange in a fireproof dish / cover with sauce / sprinkle with Worcester sauce and put in a preheated oven at 220°C for about 10 minutes to brown. **Roasted roe-buck back in a sauce:** 1 kg venison / 0,5 dl oil / 5 dg smoked bacon / lemon peel / salt / 3 tsp. sugar / 2 tsp. Gussnel starch. Brine: 1 l water / 2 dl wine vinegar / 10 grains of pepper / 10 dg carrots / 5 laurel leaves / 10 cloves / 1 tbs. Vegeta. Make the brine by cooking water / vinegar / carrots cut in rings / spices / Vegeta and let it cool. When it is cool put venison and let it stay for 3-4 days. Take the meat out / salt it and prick with bacon. Put it in a greased pan and roast in an oven at 180°C for 90 minutes. During roasting pour some roasting juice from time to time over the meat / add brine on the sides so the roast gets juicier. **Prepare sauce separately:** shortly fry carrots and spices from the brine on some oil. Add sugar and some brine and stew until carrots get tender. Run everything through a strainer / put back in the dish / put a piece of lemon peel and pour over the rest of the brine. Add Gussnel dissolved in some water and boil shortly. Cut meat in pieces / put back in the sauce and boil shortly all together. Put more spices if needed. Serve with venison potato croquettes or bread dumplings and cranberry jam. **Noo-**

struction and Development (EBRD) in London. She worked on the transactions connected to the public and private sector in Romania and Moldavia. She was especially engaged in the work of the electric-power industry sector in Croatia, Macedonia and Georgia. From 1996 till the December of 1998 she was at the head of the European Bank for Reconstruction and Development Office in Zagreb, where she led the EBRD projects in Pliva, NEP and Podravka and participated in EBRD projects in the private and public sector whose portfolio amounts to more than 500 million US\$. In 1999 she moved to the EBRD Office in London where she is a Senior Banker within the Agribusiness Team and works on the projects connected to the food industry on the territory of Mid and Eastern Europe.

IVANA VUJIĆ, *Supervisory Board member*

Mrs. Ivana Vujić was born in 1938. She received her law degree from the Law School in 1962. After she had finished her studies she worked ten years on legal matters at the Municipality Assembly of Banja Luka. During that period, that was in 1965, she passed her State Examination and in 1973 the Bar Examination. She worked for the Administration of Justice from 1972 till 1992. From the February of 1993 she worked at the Public Notary's Office, and from the July of 1995 she worked at the Croatian Privatization Fund as a Senior Expert Consultant. She was appointed Head of the Section for Administrative Procedure and Administrative Disputes in 1996. Since June of 1999 she has been Assistant to the Vice-president of the Croatian Privatization Fund concerning legal matters.

Management Board - biographies

DARKO MARINAC,
President of the Management Board of Podravka d.d.

Mr. Darko Marinac was born in 1950. In 1973 he graduated from the Faculty of Chemistry and Technology of the University of Zagreb. He completed his interdisciplinary postgraduate studies at the University of Zagreb in 1975. In 1987 he completed the PKH Managerial Studies and in 1987 the CPG Business School in Cologne, Germany. During the same year he specialized foreign trade at the Faculty of Economics in Zagreb. From 1988 to 1995 he participated in the work of several European seminars (MCE and others) in the fields of management, marketing and sales, research and development, finance and IT and attended the IBM seminar for managers in pharmaceutical industry in Brussels in 1988. In 1999 he finished the MCE leadership program. He began his professional career in Pliva in 1975, working as production technologist (vitamin C and D-glucitol). From 1978 to 1984 he worked as Project Manager and then the Managing Director of the Antibiotics Penicillin Factory.

In 1985 he was appointed Director of Pliva's Animal Health Division "Veterina" (including animal feed and agrochemicals) and remained there until 1989. In the following 1990 he was appointed Director of Pliva's Research and Development Department (including the Research Institute, Engineering, Business Research, Planning and Technology Transfer) and he carried out these activities until 1991. Mr.

Marinac was also the founder and Director of Pliva Kiev (marketing and sales of pharmaceuticals and food products) in 1992. During the period from 1992 to 1996 he was the founder and Director of Pliva Prague and Pliva Bratislava (marketing and sales of pharmaceuticals and food products).

From 1996 to 1999 he was the first Vice-president of the Management Board responsible for market development in CEE and for R&D. He was appointed the Integration Manager of Pliva Krakow and senior advisor to the Pliva Management Board in 1999.

Mr. Marinac is the author of one patent, several technical-technological advancements and the winner of the INOVA award (Croatian Exhibition of Innovations) and many professional publications. He also won several awards for achievements in management and entrepreneurship: the Pliva Annual Award, the Annual Award of the City of Zagreb, etc. The President of Croatia honored him for his contribution to the development of Croatian economy.

ŽELJKO ĐURĐINA, *Deputy President of the Management Board of Podravka d.d.*

Mr. Željko Đurđina was born in 1948. He graduated from the Faculty of Chemistry and Technology of the University of Zagreb and won his master's degree at the Faculty of Food and Biotechnology in 1981. Since he completed his studies in 1971 he has been working in Podravka. During his professional career he performed the duties of technologist-organizer from 1972 to 1977, and Project Manager from 1977 to 1985. In 1985 he was appointed Director of the work organization "Podravka - Food Industry", and remained there until 1990. In 1989 he was appointed member of the Management Board of Podravka, and Vice-president of the same Board in 1990. In 1990 he was

dles with yogurt: 40 dg wide noodles / salt / 2 dg butter / 1 onion / 20 dg minced meat / 2 garlic cloves / 4 dl yogurt / 2 tbs. oil / 1 cube beef soup Podravka. Cook noodles in much salty water and drain. In the meanwhile heat butter in a pan and fry chopped onions / add minced meat beef soup cube and stew until it softens. Before it is done add chopped garlic / remove from the stove and mix yogurt and 2 tbs. oil. Put noodles in a dish and pour the prepared sauce over them. **Walnut pancakes with wine sauce:** Batter: 3 dg flour / 1 egg / 1 yolk / 1,4 l milk or mineral water / salt / frying oil. Stuffing: 8 dg walnuts / 2 dg sugar / cinnamon / vanilla sugar. Doicela. Wine switched / eggs and some salt in a deep bowl / add gradually flour and milk or mineral water. Make pancakes from the prepared batter. Pour batter in the middle of the greased (some oil) pan with a smaller ladle. Turn the pan so that the batter spreads equally over the pan. Turn the pancake when the bottom side gets a yellow brownish color. Stuff the pancakes with walnuts with sugar / cinnamon and vanilla sugar. Arrange them on a warm plate and pour the wine sauce over. Serve warm. **Wine switched egg sauce:** mix yolks / eggs and sugar add wine and put the pan in hot water to cook. Stir until it all becomes a thick foam. Pour immediately over the pancakes. Homemade shrimps: 1 kg shrimps in scale / 1 dl olive oil / salt / pepper / 1 tbs. Vegeta / 4 garlic cloves / parsley. Heat some oil in a wide pan / fry shrimps and during frying turn them once. After that pour some cold water over them so that they are covered. Sprinkle over Vegeta / some salt / pepper / finely cut garlic and parsley. Leave them simmer. At the end pour over cold olive oil and the soup in which you cooked them. Arrange shrimps on a plate and pour the soup over. **Fish in Lisbon way:** 80 dg hake fillet or codfish / 50 dg tomatoes or canned tomatoes Podravka / 35 dg onions / 75 dg potatoes / 4 garlic cloves / 2 laurel leaves / 1 tsp. ground red peppers / some ground hot pepper / 1 dl olive oil / salt / fresh ground pepper / parsley / 1 tbs. Vegeta. Cut tomatoes / onion / garlic and peeled potatoes into slices. Cut fish fillet in bigger pieces. Arrange alternately in layers tomatoes / potatoes / garlic / onion and fish. Sprinkle always potatoes and fish with some Vegeta / salt and pepper. Continue to arrange until you run out of ingredients leaving the potatoes to be the final layer. Add cut parsley / laurel and sprinkle everything with sweet and hot peppers and pour over 1 dl water and olive oil. Cover the dish and let it simmer without stirring. If needed, shake the dish a little. This dish is done when the potatoes are soft. You may serve it as a main course in different occasions. **Honey pie:** Pastry: 50 dg flour type 850 Doicela / 3 dg butter / 5 dg honey / 7-8 tbs. milk / 15 dg sugar / 1 tsp. bicarbonate of soda / 2 eggs. Cream: 8 dl milk / 4 tbs. semolina Podravka / 4 tbs. cocoa powder / 25 dg butter / 10 dg powder sugar / Chocolate icing. Put honey / sugar and butter to boil / add milk and with that pour over the flour you mixed with bicarbonate of soda. Then mix in the eggs and make pastry. Divide the pastry into 5 pieces / roll them to make 5 thin leaves. Bake them separately on the back side of the baking pan at 150°C for about 10 minutes. Brink 8 dl milk to the boiling point and semolina until it thickens. Mix foamy butter / sugar and cocoa and mix it in the cold semolina. Smear every pastry with the prepared cream and let it stay for a few hours in order for the cream to imbue with pastry. Put the chocolate icing on top of the pie. **Brown rolls:** 2 rolls of French bread or 6 longer rolls / 12 dg butter / 4 tbs. chopped parsley and chive / 1 garlic clove / 1 tbs. Vegeta. Cut the rolls in every 2 cm and put in every pocket some prepared butter spread. Wrap every roll in aluminium foil and put in a refrigerator to stay until the time you want to bake them. Bake them in a hot oven for about half an hour. If you are on a pick-nick you can grill them by flipping them on both sides. Butter spread: Mix well the butter and add Vegeta / parsley and chive / garlic and mix everything well. Serve the hot rolls with barbecue or other meat. **Osso Buco alla Vegeta:** 2 veal kneepads / salt / pepper / 0,5 dl oil / 15 dg onions / 3-4 carrots / 1 garlic clove / 20 dg celery / 3-4 tomatoes / 1 dl white wine / rosemary / garden-sage / wild thyme / 2 cloves / laurel / parsley / lemon peel / 1 tbs. Vegeta. Put salt and pepper on the chopped pieces of veal with bones and fry them in hot oil on both sides. Cut vegetables into 1 cm squares / add to the veal and simmer until it browns. After that add peeled tomatoes cut into squares / garden-sage / rosemary / wild thyme / cloves / Vegeta and wine. Stew all that for about an hour. Add water when necessary and at the end add parsley / lemon peel and cut garlic. You can thicken this a little with Gussnel starch. You can serve this without a side-dish / or with polenta or noodles. **Turkey rolls in sauerkraut:** 4 turkey steaks / salt / pepper / 8 thin slices of smoked bacon 6 tbs. oil / 1 onion / 75 dg sauerkraut / 1 tbs. Vegeta / 4 juniper-berries / 1 laurel leaf / 1 dl white wine. Fry chopped onion on 3 tbs. oil / add sauerkraut / laurel / juniper-berries and Vegeta. Fry

everything well / pour the wine over and stew the sauerkraut until it becomes tender. In the meanwhile beat the steaks / add salt / pepper and roll into 4 rolls. Wrap the rolls in bacon and fasten them with toothpicks. Fry the rolls in a separately frying pan and simmer them covered for 10 minutes. Put the sauerkraut on a warm plate and arrange the rolls in the middle. Serve boiled potatoes with these tasteful and piquant rolls.

Krupnik (Barley soup with vegetables): 15 dg barley porridge / 2 dg dried mushrooms / 10 dg onion / 5 dg smoked bacon / 15 dg carrots / 2 springs of celery leaves / 50 dg potatoes / 0,5 dl oil / 2 laurel leaves / 2-3 garlic cloves / salt / black pepper / parsley or dill / 1 tbs. Vegeta. Soak the barley porridge and let it soak best over night. Drain it and cook it in 2 l of slightly salted water. Soak dried mushrooms / drain them after a short while / dry and cut them. Heat oil and fry shortly cut onions and bacon / then add prepared mushrooms. If you like you could add some fresh mushrooms. After that add carrots and potatoes you previously cut into squares / laurel / Vegeta and stew all together. Then add barley porridge together with the fluid / celery / fresh ground pepper and cut garlic and cook for another ten minutes. If needed, water Krupnik by adding some water. Before serving, take out the celery leaves and mix in parsley or dill. **Chicken risotto:** 1 cube of hen soup Podravka / 50 dg chicken fillet / 30 dg rice / 5 dg carrots / 5 dg tomato concentrate Podravka / 5 dg onions / 2 dg butter / Parmesan / 0,5 dl white wine. Stew chopped onion and grated carrots on butter. Add chicken cut into squares and while stewing add soup until it tenders. Before it is done mix in the tomatoes / cooked rice and wine. Mix everything and serve with grated Parmesan. **Red cabbage in the Czech way:** 1 kg red cabbage / 4 tbs. oil / caraway / 1 tsp. flour or Gussnel / 3 dg sugar / 2-3 tbs. wine vinegar / 1 tbs. Vegeta. Cut the cabbage into stripes / boil it shortly in a small amount of water and drain. Fry chopped onions on some oil / add sugar / cabbage / caraway and Vegeta. Add flour / stir and let it stew. Before it is done mix in the vinegar and some salt if needed. With this you could serve mash potatoes or stewed potatoes / or just serve the cabbage with a roasted duck or any other poultry. **Sauerkraut mousaka:** 2 cubes of beef soup Podravka / 1 kg sauerkraut / 2 sausages / 10 dg onions / 5 dg bacon / 5 dg tomato concentrate Podravka / 2 tbs. oil. Stew finely chopped onions on oil and cut bacon. Add sauerkraut cut into stripes and stew gradually adding soup. When it is half done add sausages cut into rings and tomato concentrate you stirred with some water. Stew everything until the sauerkraut gets tender. Serve as mousaka with boiled potatoes or polenta. **Pašticada with gnocchi:** 2 kg beef or veal from the leg / 20 dg smoked bacon / 20 dg onions / 15 dg parsley / 15 dg carrots / 5 dg celery root / 2 garlic cloves / 2 dg tomato concentrate / 1,5-2 dl oil / 6 prunes / 3 dl red wine / 2 tbs. mustard / laurel leaf / rosemary / wild thyme / salt / pepper / 1-2 tbs. Vegeta / 1 bag of mixture for potato dough Omok. Wash the meat / dry and stick bacon stripes in it. Salt it well / smear with mustard and oil and like that let it rest for two hours or over night. Then roast it quickly on all sides on hot oil. Take out the meat from the frying pan and on the oil fry shortly chopped onions and garlic and vegetables. Put the meat back in / add Vegeta and stew covered for about 2 hours adding gradually water and wine. When the meat is half done / add tomato concentrate and washed prunes. Before it is done mix in the laurel leaf / wild thyme / rosemary / pepper and some salt. Take the meat out / cut it into thin slices and arrange it on a warm plate. Press the vegetables with sauce / cook it shortly and pour over the meat. Potato gnocchi you will make according to the instructions on the Omok box go best with Pašticada. **Carrot mousaka:** 1 kg carrots / 2 cubes of hen soup Podravka / 8 dg butter / 10 dg onions / 35 dg minced veal / salt / pepper / parsley / 2 eggs. Cut clean carrots into rings and cook in 1 l of boiling hen soup. Fry chopped onions and veal on butter. Add salt and pepper and continue to stew until the meat is tender. After that add drained carrots and cut parsley. Put everything in a fireproof dish you smeared with butter. Pour over the eggs you previously mixed with 1 dl of soup you cooked carrots in. Put so prepared mousaka in a preheated oven to brown. **Friend of family:** 2 eggs / 15 dg sugar / 20 dg flour type 500 Podravka / 1/2 tsp baking powder Dolceta / 7 dg walnuts / 7 dg raisins / 7 dg chocolate / 5 dg butter / lemon peel. Cut walnuts and chocolate into small pieces. Mix eggs and sugar thoroughly / add flour with baking powder / walnuts / chocolate / raisins and mix all together. Leave half - hard mixture 1-2 hours. Put the mixture with tbs on greased baking pan and shape little rolls side by side and bake for about 15 - 20 minutes at 200°C. After that, place the rolls on board and cut them into 1 cm wide sticks. The rolls are very delicious after 4 - 5 days. **Fried pilchards in batter:** 75 dg pilchards / salt / lemon / 2 eggs / 25 dg flour type 500 Podravka / 20 dl milk / 1 tbs Vegeta / frying oil. Clean pilchards / cut the fish lengthwise /

appointed Director of PC "Food Industry" and occupied this function until 1997. He was member of the Supervisory Board of Podravka d.d. from September 1997 up to his appointment as Vice-president of the Management Board. From 1997 to 2000 he was the Director of the Vegeta and Soup Factory while it was under construction and in 2000 he was appointed Director of the same Vegeta factory.

NEVENKA CEROVSKY, *the Board member*

Mrs. Nevena Cerovsky was born in 1958. She graduated from the Department of Foreign Trade at the Faculty of Economics of the University of Zagreb. After completing her studies in 1982 she started working in Zagrebačke pekare (Zagreb bakeries) and worked there for two years as accounts officer.

From 1984 to 1988 she worked in Pliva as independent currency officer in the Financial Department of Pliva and after that, until 1991, Mrs. Cerovski worked on special projects of Pliva d.d. In 1992 she was appointed Manager of the Pliva Shareholders Office and from August of 1992 to February 1993 she was the Finance Development Manager. In 1993 she was appointed the Financial Director of Pliva until June 1996. After that, from July 1996 to January 1998, she worked as the Manager of the Business Program of Cosmetics and Hygiene. In January 1998 Mrs. Cerovsky was appointed Director of the Public Limited Company Neva within the Pliva Group. She was honored for achievements in economy in 1996.

DAVOR CIMAŠ, *the Board member*

Mr. Davor Cimaš was born in 1959. He graduated in marketing in 1982 from the Faculty of Economics of the University of Zagreb. After completing his stud-

ies he began to work in Podravka, where he has been working till the present day. He started work as a sale officer and remained at this post until 1984. He worked as a Product Manager in Marketing from 1985 to 1991. In 1992 he was appointed Export Manager in Foreign Trade for Slovenia and carried out these duties until 1996. He participated in the work of the Restructuring Team from 1996 to 1997 as a team member responsible for sales and marketing. During 1996 and 1997 he was Assistant Sales Manager for Croatia and for foreign markets. In August 1999 Mr. Cimaš was appointed Marketing Division Manager of Podravka Branded Food Products. He also finished a seven-week course for managers at the Business School "Center", at Brdo kod Kranja

DAMIR POLANČEC, *the Board member*

Mr. Damir Polančec was born in 1967. He graduated from the Agroecconomics Department of the Faculty of Agriculture of the University of Zagreb in 1992. After completing his studies he started working for Dukat, Zagreb, as a technologist in the production of melted cheese. From 1992 until now he has been working for Podravka. In the first two years he worked in PC "Purchasing - import" as a purchasing officer for fruit and vegetables. Subsequently, he was appointed sales officer, and three years later, senior sales officer for the purchasing of dried vegetables, especially from countries in transition (Hungary, the Czech Republic, Poland, Bulgaria and Macedonia). In April 1997 he became a member of the Restructuring Team for purchasing, logistics and production responsible for purchasing. In November 1997 he was appointed Manager of the Purchasing Department. He completed the "General Management Program" at the Business School "Center", at Brdo kod Kranja.

Podravka Stock Movements Report for 2001

TURNOVER

On the first rating of the Zagreb Stock Exchange in 2001, the stocks of Podravka achieved the turnover of 133,937,234 HRK (Croatian kunas), with traded amount of 859,680 pieces, which is 40.8 million kunas (43.8%) higher trade compared to 2000. The most intensive stock turnover, noticed in June (when the stock price reached the highest annual level of 175 HRK) and September (when the price reached the lowest level of 139.99 HRK). In June 127,819 pieces of stocks were traded with the trade value of 21,227,806 HRK and in September the amount of stocks reached 160,335 pieces with a monthly trade value of 24,888,933 HRK. The turnover of June and September together reached 34% of the total trade in 2001. The Quarter Trade Analysis shows that in the first and the last quarter of 2001 identical turnover with a value of 31.2 mil HRK and about 200000 stock pieces in each quarter, was achieved. The highest quarterly turnover was achieved in the third quarter of the year 2001, when 251,865 stocks in the value of 38.4 mil HRK were traded.

ANALYSIS OF PODRAVKA QUARTER STOCKS TURNOVER:

	Turnover HRK	Quantity
I quarter 2001	31,212,766.38	196,065
II quarter 2001	33,032,956.39	205,169
III quarter 2001	38,371,933.51	251,865
VI quarter 2001	31,319,577.72	204,738
Total	133,937,234.00	857,837

THE PRICE

During 2001, the price of Podravka stock varied between 139.99 HRK and 175 HRK. The lowest price in January was 148.00 HRK and the last price in December was 153.00 HRK with the annual growth of 3.4%. In relation to December 2000 the stock price was lowered for 1.38%. The highest level of 175.00 HRK during 2001 was reached in June, which represents a growth of 18.2% in relation to the lowest price from January. The lowest annual price of 139.99 HRK was achieved in September, the month with the highest turnover in the whole year.

PRICES REVIEW IN THE PERIOD 1997- 2001

	1997	1998	1999	2000	2001
on 31.12.					
highest	400.00	201.00	106.00	185.00	175.00
lowest	155.00	73.00	60.00	89.00	139.99
last	185.00	100.00	89.00	154.99	153.00
CROBEX value	1,002.1	711.6	715.3	890.0	1.034.70

open it and remove spine gently so that you get fillet / salt fillets, drizzle with lemon juice and roll into 15 dg flour. Dip the fillets into prepared batter and fry in hot oil. In order to prepare the batter, mix eggs / milk / remaining flour and Vegeta. The batter you get is a little bit thicker than the one for pancakes. Serve the fried pancakes with potato salad / green salad / tartar sauce or lemon slices. **Fried shrimps:** 50 dg clean tails of shrimps / 2 eggs / salt / parsley / 1 lemon / flour / frying oil. Sauce: 10 dl mayonnaise / 20 dl sour cream / parsley / salt / pepper / 1 tsp capers / 1-2 pickled gherkins. Dry the tails of shrimps well / roll into flour / dip into stirred up eggs and fry 3-4 minutes in deep frying oil. Serve so prepared shrimps with boiled rice and sauce. For sauce mix mayonnaise with sour cream season with salt / pepper / and add chopped parsley / capers and gherkins. **Bregovska pie:** 30 dg thin strudel dough / 30 dg sugar / 15 dg walnuts / 15 dg raisins / rum / 15 dg poppy-seed / 30 dg apples / 20 dg butter / 40 dl sour cream / 2 eggs / cinnamon. Place two leaves of dough on buttered baking pan / sprinkle with a bit of melted butter / half amount of walnuts / sugar / cinnamon and cover with a little sour cream. Then place again 2 leaves of dough / sprinkle with butter / add grated apples / sugar / cinnamon and a little sour cream. For next layer add on buttered dough half amount of raisins dipped into rum / sugar and a little sour cream. On the fourth layer on buttered dough add half amount of poppy-seeds / sugar / cinnamon and little sour cream. Repeat the order from the first layer and end with stuffing of poppy-seeds. Cover with 2 leaves of dough and pour the rest of sour cream mixed with eggs. Stick the surface with a fork and bake 50-60 minutes at 200oC. **Flavoured potato salad:** 80 dg potatoes / 1 onion / 2 pickled gherkins / Podravka / 1 cube beef soup / Podravka / 1 tbs of mustard / Estragon / Podravka / 1 clove of garlic / pepper. Boil the potatoes with peel / peel off the potatoes and cut into slices. Cut onion and pickled gherkins into little cubes and add, boil the cube of beef soup in 20 dl of water / cool a little and stir the mustard / kneaded garlic and a little pepper and pour the mixture over potatoes and gently stir. Leave covered for 20 minutes. Serve the salad alone or with roast or grilled meat. **Sirloin with sour cream:** 1 kg sirloin (beefsteak) / 4 dg smoked bacon / 5 tbs oil / 7 dg celery roots / 8 dg carrots / 5 dg parsley roots / 6 dg onions / salt / pepper-corn / allspice / bay leaves / thyme / 2-3 tbs vinegar / lemon / 2 dg butter / 1-2 tsp sugar / 1 tbs flour / 20 dl sour cream / 1 tbs Vegeta. Put the sticks of bacon / salt and cook each side on heated oil. Add vegetables and onion cut into slices and fry all together. Add allspice / bay leaves / thyme / ground pepper / two lemon slices and Vegeta. Stew until soft, take it out and leave on warm / run vegetables through a strainer. Heat the butter and gently caramelize the sugar / add the vegetables / stir flour in a little water and cook all together. If necessary, put a little water in sauce and stir sour cream. Cut the meat into thin slices / place on a plate and pour over with hot sauce. Serve with Czech dumplings made of raising dough / bread dumplings or croquettes. Decorate with lemon slices / whipped cream and cranberries. **Mince-meat roll with stuffing:** 50 dg baby beef mince / 1,2 bags of Fant seasoning mix for stuffed peppers and cabbage / salt / pepper / 4 leaves of savoy cabbage / 10 dg rice / 1 string of parsley / 1 onion / 1 egg / 5-10 dg grated Parmesan / 10 dg smoke-dried bacon / 2 tbs oil. Make a mixture of mince-meat and Fant seasoning mix for stuffed peppers and cabbage prepared with 5 dl water. If desired season with salt and pepper. Shorten cook the leaves of savoy cabbage. Stew onion and cut bacon / add rice and chopped parsley / stir / pour with a little water and cook until half done. Cool it and stir in the egg and grated Parmesan. Place meat mixture on greased aluminium foil and roll out 1 / 5cm thick / place the leaves of savoy cabbage on it and then the mixture of rice and roll everything with a half of foil. Place the roll in a baking dish and bake on preheated oven at 220oC for 45 minutes. When nearly finished remove the foil and bake until golden. Serve the roll with some stewed or boiled vegetables. **Roast goose with cabbage** 2 kg grated pickled cabbage / 1 goose (about 3 kg) / 2 onions / 10 dl oil / salt / pepper / 2 tbs Vegeta. Salt the goose / rub the cavity with 1 tbs Vegeta / place the goose on the baking dish on the part of oil and bake at 220oC. Put the rest of oil in a larger dish and stew the onion until glassy. Add pickled cabbage / 1 tbs Vegeta / pepper and stew until half done. When the goose is half baked / take it out of baking dish and place pickled cabbage on the grease. Stir well and place it all over the baking dish / add a little water / place the goose and put it back into oven. Bake until the goose is softened. While baking, occasionally add water. When the cooked / take it out of the oven and cut into pieces. Place the cabbage on a serving plate and place the pieces of goose on it. **Strukli in soup:** 4-8 pieces of frozen strukturli / 4 tbs oil / 5 dg onion / 1 tsp grated red peppers / 2 tbs sour cream / parsley / salt / Vegeta / 1 l water. In a deep and wide dish stew onion on

MARKET CAPITALIZATION

Market capitalization, one of the most important indicators of company value, increased in relation to the year 2000 (the annual average for 2001 was 820 mil HRK, according to the average for 2001, which was 748 mil HRK)

The upward curve of the stock price movements

promises further growth of market capitalization and the approaching of its value towards the level of 300.00 HRK per stock, that is, towards its nominal and market value of 1.8 billion HRK.

According to the share of market capitalization in total market capitalization, Podravka constantly holds about 3% of all quoted stocks on the Croatian capital market.

* EPS for 2000 and 2001 is the division between the difference of net profit and dividend with average number of regular stock for the year 1998 and 1999 calculated by dividing the net profit with the total number of regular stock (basic EPS)
** ratio of financial transaction and market capitalization

PODRAVKA SHARE IN THE WHOLE MARKET CAPITALIZATION OF THE STOCK EXCHANGE

Market cap. in mil. HRK	1997	1998	1999	2000	2001
Podravka	968.5	540.7	481.2	838.00	827.2
Stocks- total	26,760.4	18,275.8	19,225.1	22,178.6	25,815.5
% of the whole market cap.	3.6%	3.0%	2.5%	3.8%	3.2%
range among the first 10	4th place	4th place	4th place	5th place	8th place

COMPARISON WITH 2000

In relation to 2000, profit per stock decreased for 4.37 HRK, from 12.20 HRK in 2000 to 7.83 HRK in 2001. Despite decreasing, EPS for the stock trade grew and also the trade speed of Podravka stock, from 11.1% in

2000 to 16.2% in 2001. This means that a 1.4 times higher trade value was achieved than in 2000 (133.94 mil HRK 2001 compared to 93.1 mil HRK), and a 1.28 times higher amount of financial stock transaction (857,837 pieces in 2001 compared to 669,169 pieces in 2000).

PODRAVKA SHARE IN THE WHOLE MARKET CAPITALIZATION OF THE STOCK EXCHANGE

	1997	1998	1999	2000	2001
Nr. of regular stocks	5,235,247	5,406,696	5,406,696	5,406,696	5,406,696
Last price	185.00	100.00	89.00	154.99	153.00
Market capitalization	968.5	540.7	481.2	838.0	827.2
EPS*	n/a	12.6	3.9	12.20	7.83
P/E	n/a	7.9	22.9	12.71	19.55
Speed of financial transaction **	15.6%	12.4%	3.0%	11.1%	16.2%
Dividend	n/a	-	3.00	-	-
P/BV	0.59	0.3	0.3	0.47	0.48

heated oil / add grated pepper and immediately pour the water / salt and add a little Vegeta. When it starts boiling place the prepared strukli side by side and cook for about 15 minutes. In the end stir the sour cream and chopped parsley. Take out the strukli and place them into soup plates. Pour over the strukli with soup in which you cooked the strukli and serve.

Stuffed celery: 4 big celeries / juice of 1 lemon / salt / Stuffing: 30 dg mincemeat / 1 bag Fant seasoning for stuffed peppers and cabbage / 6 dg butter / 5 dl lukewarm water / nutmeg / 1 apple / 30 dl sour cream / 1 yolk. Clean celery and cook it in the salted water where you added lemon juice about 20 minutes. Take it out of water and cut it into halves / scoop out every half and fill with stuffing. Stuffing: stew the meat on the butter and cool it. Add Fant seasoning for stuffed peppers and cabbage prepared in lukewarm water / grated apple and grated nutmeg. Fill the celery with the stuffing and place it into casserole dish / pour over the sour cream in which you stirred the yolk. Bake it in the preheated oven at 200oC. Decorate with slices of tomato and chopped parsley.

Savoy cabbage in delicious sauce: 1 kg savoy cabbage / 70-80 dl soup of chicken cube Podravka Sauce / 30 dg butter / 2 dg flour / 3 tbs mustard Estragon Podravka / 10 dl wine / 20 dl cream / salt / pepper / sugar. Clean the savoy cabbage and cut it into 8 pieces. Boil the soup of chicken cube and start cooking the savoy cabbage. When it is softened take it out of the soup and place it on warm plate. Sauce: shortly stew the flour on the heated butter and pour over the wine. Add the cream / mustard and stir. Simmer for 10 minutes season the sauce with salt and pepper and add a little sugar. Pour over the cooked savoy cabbage with hot sauce and if desired serve it with boiled potato with parsley.

Delicious mushroom goulash: 60 dg mushrooms (button mushrooms / yellow chanterelle / 1 dg dried boletes / 3 tbs oil / 4 dg smoked bacon / 1 onion / 2 carrots / leaf of celery / pepper / salt / bay leaves / marjoram thyme / 3 cloves of garlic / parsley / 1 dl sour cream / 1 tsp cornflour (Gussnel) / wine vinegar / 20 dg potatoes / 1 tbs Vegeta. Clean the mushrooms and cut them into larger pieces. Cut the bacon into small cubes / cut the carrots into rings and chop the onion. Stew the bacon and onion on heated oil and after that add the carrot. Add prepared strained and chopped mushrooms. Stew them well and season with Vegeta and stew all together adding some water occasionally. When the mushrooms are half softened add bay leaves / celery leaf / marjoram / season with a little salt and simmer. When nearly finished with cooking season with pepper. Stir cornflour (stirred with water) / sour cream / chopped garlic / parsley and add a little vinegar. While preparing this goulash / cook separately cut potatoes / knead them and stir into the goulash. Serve with mashed potatoes or if desired cook a larger amount of potatoes cut into cubes which you stir into goulash.

Cauliflower with ham sauce: 2 larger cauliflowers / 15 dg ham / 7 dg bacon / 2 dg butter / 4 dg flour type 500 Podravka / 1 dl sour cream / salt / 2-3 strings of chive / pepper / 1 tbs worcester sauce / 1 tbs lemon juice / 1 cube of chicken soup Podravka. Cook the cauliflower separately in salted water. Cut the bacon into thin sticks and fry / take them out and dry on the kitchen paper. Put the butter into the rest of grease / add flour and stir it shortly. Pour with 5 dl water and put the cube of chicken soup. Simmer for 8 minutes and then add chopped ham and chive. When nearly cooked season with pepper, add worcester / lemon juice and cook all together for a while. Remove it from the heat and stir in the sour cream. Pour the sauce over the cauliflower and decorate it with fried bacon.

Duck with milinci: 1 duck (about 2 kg) / 0,5 dl oil / salt / 1 tbs grated red pepper / 1 tbs Vegeta. Smear the clean and washed duck inside and outside with the mixture of salt / pepper and Vegeta. Place it on the baking dish / pour with hot oil / cover with aluminum foil and bake at 220oC for about 1 hour. Take out the baking dish with duck / remove the part of grease and keep on with baking without the foil at 200oC for 15 minutes and then lower the temperature to 180oC and leave it for about 1 hour (if necessary the temperature can be lowered to 150oC). While baking pour under the duck with lukewarm water. Break milinci to pieces and put them onto boiling water. When the water boils again / strain milinci / place them on the baking dish pour over with cooking grease / stir and bake for 5-10 minutes.

Pork leg: 1 smoked pork leg (about 1 kg) / 1 savoy cabbage / 6 dg butter or margarine / salt / fresh grated pepper / 2 dg flour type 500 Podravka / 1 dl cream / 2 tsp mustard Estragon Podravka / marjoram / 1 tbs Vegeta. Cook shortly pork leg / strain the water and cook it again together with Vegeta. Simmer at low temperature. When cooked remove the skin and bones / cut the meat into thin slices and put in a little oil soup. Thin the leaves of savoy cabbage or remove the middle thicker part. Wash and cut into 4 cm thick pieces. So prepared savoy cabbage stew on 3 dg butter / pour with a cup of soup of pork leg and stew for about 10 minutes / simmer. Prepare separate-

PRICE COMPARISON OF THE PODRAVKA STOCKS AND CROBEX

	1997	1998	1999	2000	2001
At December 31st					
Podravka-last price	185.00	100.00	89.00	154.99	153.00
CROBEX - value	1,002.1	711.6	715.3	890.0	1,034.70

CROBEX

In 2001 Crobex realized an annual value growth of 19.5%. It started the year at the level of 865.71 points in January and it ended in December at the value level of 1034.72 points, which is a 16.3 % higher value than in December 2000. The highest level during the year Crobex achieved on September 4th by reaching 1054.53 points. If we compare Crobex and Podravka stock changes during the year, we can notice that Podravka stock price strongly decreased immediately after the period of Crobex value decreasing (on September 21st), and Podravka stock (annual price increase of 3.4%) failed to reach the annual value growth of CROBEX.

ANALYST ESTIMATES

In the financial world, analyst's reports about companies, their forecasts and recommendations for further business running are crucial for present and

potential investors. According to their recommendations, the investor makes his judgements, evaluations and makes the decision about further investments or divestment in stocks of a particular company. During the whole year in the analyst's reports of most representative investment banks, Podravka stock was very highly placed and it was marked with the label "buy", meaning a recommendation to potential investors to buy stocks because of their possible growth and financial success. The three highest stocks (Pliva, Zagrebačka banka and Podravka) are the stocks with the most active financial transactions in 2001. Their joint cumulative percent of achieved trade is 70.3% of the whole stock trade at the Zagreb Stock Exchange. From the total number of 73 stocks listed at the Zagreb Stock Exchange, the three above mentioned, illustrate 2 / 3 of the trade at the Croatian capital market. The activity of Podravka stock is also shown through the trade speed, which with the growth from 11.1% in 2000 to 16.2% in 2001 shows high stock solvency.

ly the sauce: in the rest of butter stir the flour / pour with 2 dl soup of pork leg and stir well. Add cream and simmer for 10 minutes. When nearly cooked season with marjoram / pepper and mustard. On heated serving plate place the pieces of meat / stewed savoy cabbage and a part of prepared sauce. Serve the rest of sauce separately. Serve this meal with boiled potato.

Home-made little horns: 1 little packet dry instant leaven / 50 dg flour type 500 Podravka / 18 dg butter / salt / 0 / 5 - 1 dl water / dog-rose berry marmelade Podravka / powdered sugar for sprinkling. Empty the bag of dry instant leaven into the flour and stir. Add butter / and crumble with flour / salt. Mix with a little lukewarm water firm dough / leave the dough in the fridge for 2 hours / after that roll it out in a big square 2 mm thick and cut the squares 10x10 cm. Each square cut diagonally so that you get the triangles. In the middle of each triangle put one tsp of marmelade and roll it in a little horn. Bake in the heated oven at 200oC for 30 minutes. Roll hot little horns into powdered sugar. **Hale in capers sauce:** 1 kg hake / 1 lemon / 10 dg flour type 500 Podravka / salt / frying oil. For sauce: 1 small bulb of onion / 1 tbs capers / 1 meat cube with garlic Podravka / 2 dl cream / 0,5 dl white wine. Clean hake cut into filets / slat and sprinkle with lemon juice. Roll into flour and fry on oil both sides. Take them out and fry on this oil chopped onion / add capers and meat cube with garlic. Stew shortly adding a little water. Stir 2 dl cream / put the fish back in the sauce / add wine. Serve with palenta. **Tuna paste:** 1 small bulb of onion / 2 hard boiled eggs / 1 tin of tuna (24 dg) / 10 dg butter / a little mustard Estragon Podravka / salt / pepper / lemon juice / worcester sauce. Chop the onion. Mix the butter well / chop the hard boiled eggs and strained tuna or grind. Stir the prepared onion, eggs and tuna in the butter. Add mustard / salt / pepper / worcester sauce and a little lemon juice. Stir well and cool it for a while. **Czech cake:** 5 eggs / 25 dg sugar / 20 dg flour type 500 Podravka / 1 tbs water / 2 tbs cocoa. Cream: 15 dg sugar / 5 yolks / 5 tbs flour type 500 Podravka / 0,5 l milk / 20 dg butter / 10 dg powdered sugar. Froth: 5 egg-whites / 25 dg sugar / juice of a half lemon. Whisk the egg-whites until stiff / add sugar / water and whisk a little more. Add flour / and one by one yolk / and in the end cocoa. Place the mixture in the greased baking dish (40X25 cm) and bake for 40 minutes at 200oC. For cream: mix the yolks / sugar / flour and a little milk. The rest of the milk bring to boil / add the mixture of yolks and cook for 10 minutes until the cream is stiff / cool the cream. Spread the cream over the biscuit and over the cream spread warm froth of egg-whites. For froth whisk the egg-whites / add sugar / and whisk on steam for about 10 minutes. In the end add lemon juice. Cool the cake and cut into cubes. **Chicken filets:** 50 dg chicken filets / 2 eggs / 3 tbs bread crumbs / salt / pepper / grated sweet red pepper / nutmeg / 1 / 5 dl cream / 2 tbs flour / 4 dg butter / 4 tbs oil / 1 tbs Vegeta. Grind the chicken meat and stir with grated sweet red pepper. Add bread crumbs / salt / eggs / Vegeta / pepper / grated nutmeg / cream / flour and melted butter. Stir all well / shape the filets and fry on hot oil / before frying roll the filets into flour, eggs and bread crumbs. **Turkey drumsticks in styria way:** 2 turkey drumsticks (about 80 dg) / salt / fresh grated pepper / nutmeg / 10 dg carrots / 10 dg parsley roots / 10 dg celery roots / parsley leaves / 1 bigger bulb of onion / 6 tbs oil / 2 bay leaves / thyme / 2 / 5 dl white wine / 2-3 tbs wine vinegar / 4 tbs fresh grated horse-radish / 1 tbs Vegeta. Cut the onion into slices. Cut the carrot / parsley and celery into sticks and chop the parsley leaves. Remove the skin from turkey drumsticks and rub them with salt / fresh grated red pepper and nutmeg. Heat the oil and fry the drumsticks each side until it gets fine colour. Place the chopped carrot / parsley / celery / onion and bay leaves in casserole / place the drumsticks with oil on it / season with thyme / parsley and Vegeta. Pour with wine and vinegar and cover the casserole or put aluminium foil. Put in the preheated oven and bake at 180oC for an hour. If necessary while baking pour with a little more wine and water. Remove the bones from baked drumsticks and cut the meat into slices. Place them on the preheated plate together with vegetables and cooking juice and sprinkle with grated horse-radish. Serve with boiled potatoes with parsley. **Stew with hunter's sausage:** 1 packet of mushroom cream soup Podravka / 2 tbs oil / 1 l water / 15 dg hunter's sausage / 30 dg potatoes / bay leaves / marjoram / 1 clove of garlic / 1 / 5 dl white wine / parsley. Cut the sausage into rings and stew shortly on some oil with potatoes cut into cubes. Pour water / add bay leaves / marjoram and contents of mushroom cream soup. Cook for 10 minutes. Stir occasionally and when nearly done add chopped garlic and parsley. If desired season with some salt. **Sekeli goulash:** 60 dg pork from ribs / 4 tbs oil / 2 onions / 75 dg pickled cabbage / 1 tbs grated red pepper / bay leaves / blue-berries / salt / pepper / 1 dl sour cream / 1 tbs Vegeta. Fry well cut meat on oil / add chopped onion and fry all together. Salt a

Podravka d.d. Subsidiaries

SUBSIDIARIES IN CROATIA

1. DANICA d.o.o.
Delekovečka cesta 21
48000 Koprivnica
Dušan Tomašević
Podravka d.d. (100%)

2. BELUPO d.o.o.
Ulica Danice 5
48000 Koprivnica
Sani Pogorilić
Stanislav Biondić
Slavko Antolić (prokurist)
Podravka d.d. (100%)

3. HOTEL PODRAVINA d.o.o.
Hrvatske državnosti 9
48000 Koprivnica
Đur|a Marković
Podravka d.d. (100%)

4. KOPRIVNIČKA TISKARNA
d.o.o.
Đure Estera 1
48000 Koprivnica
Vesna Željeznjak
Podravka d.d. (100%)

5. PODRAVKA INŽENJERING d.o.o.
Trg kralja Tomislava 13
48000 Koprivnica
Zdravko Mikotić

Podravka d.d. (100%)

6. PONI d.o.o.
Ante Starčevića 41
48000 Koprivnica
Mladenko Frleta
Podravka d.d. (100%)

N.B. Shareholding of Podravka
d.d. in Panonska Pivovara d.o.o. is
40% and in Elite Hrvatska d.o.o.
is 20%

FOREIGN SABSIDIARIES

1. SANA d.o.o.
Hoče, Stara cesta 20,
Slovenija
Tanja Steblovnik
Podravka d.d. (100%)

2. PODRAVKA d.o.o. Ljubljana
Ljubljana, Tivolska cesta 50
Slovenija
Miroslav Bučanac
Podravka d.d. (100%)

3. PODRAVKA d.o.o.
Sarajevo, Zelenih beretki 6 /1,
Bosnia i Hercegovina
Neli Groza
Podravka d.d. (100%)

4. PODRAVKA d.o.o.

Skopje, Kolektorska bb
Macedonia
Rajko Gospodnetić
Podravka d.d. (100%)

5. PODRAVKA-INTERNATIONAL
Deutschland - "KONAR" GmbH
Wöhlerweg 8 D-82538
Geretsried
Germany
Alen Ipša
Podravka d.d. (100%)

6. PODRAVKA-INTERNATIONAL
spol. s.r.o.
Fr.Kadlece 572 / 16, 180 00
Prague 8 - Libeň
Czech Republic
Davor Švarc
Podravka d.d. (50%)
Cerrere s.r.l. (50%)

7. PODRAVKA-INTERNATIONAL
s.r.o.
Záhradnícka 68,
821 08 Bratislava 2
Slovakia
Željko Tonklin
Podravka d.d. (50%)
Cerrere (50%)

little / season with grated red pepper and add pickled cabbage / bay leaves / a few blueberries / pepper and Vegeta. Stir all and stew / occasionally pour some water / when the cabbage is soft / add sour cream and cook. serve with boiled salted potatoes.

Chicken with mushrooms: 50 dg chicken fillets / 20 dg mushrooms / 2 green peppers / 3 dg butter / curry / 1 / 5 dl cream / 1 tbs Vegeta Twist for chicken / 1 tbs Gussnell / salt / pepper. Cut chicken fillets into sticks / season with Vegeta Twist for chicken and leave for a half an hour on a cool place. Wash and clean mushrooms and peppers and cut them into sticks. Fry marinated meat on butter and add mushrooms and peppers. Stew all together and when nearly done stir curry / cream and a teaspoon of Gussnell which you stirred in a little water. Serve with boiled rice.

Bean soup with dumplings: 1 bean cream soup Podravka / 1 l water / 1 tbs tomato concentrate Podravka / 1 clove of garlic / marjoram / 3 dg butter / 10 dg bread roll / 1 dl milk / 1 egg / parsley / salt / 2 tbs bread crumbs Podravka. Empty the contents of the packet into 1 l water and stir until it boils. Add toamto concentrate / squeezed garlic / amrjoram and serve with dumplings. To make the dumplings put the cut dipped in the milk and strained bread rolls into melted butter. Add stirred egg / chopped parsley / a little salt and bread crumbs. Stir the mixture / shape little dumplings and cook in salted water.

Strudel with button mushrooms: 15 dg thin dough for strudel / 4 dg smoked-dried bacon / 4 dg butter / 40 dg button mushrooms / 2 slices of white bread / pepper / 1 clove of garlic / 1 egg / 2 dl sour cream / 1 tsp mustard Eragon Podravka / 1 tsp Vegeta / some milk. Clean the button mushrooms / dry and cut into thin slices. Remove the crust of bread and cut into cubes. Chop the bacon and fry it on 2 dg butter. Add the mushrooms and Vegeta / stew until all the water is gone. Meanwhile stir the eggs / 2 tbs cream / mustard and pepper and add it to the cooled mushrooms. Add the crusts o bread and squeezed garlic and stir all well. Sprinkle the sheet of thin dough with melted butter / spread the third par of stuffing and roll it into strudel. In the same way prepare other two strudels. So prepared strudels place on greased baking tray and cover with the rest of cream stirred with a little milk. Bake at 200oC for about 25 minutes. Serve the strudels with salad or as a main course.

Watery batter-dumplings with eggs: 50 dg flour type 500 Podravka / 1 tsp baking powder Dolbela / salt / 4 dl lukewarm water / 4 tbs oil / 1 bulb of onion / 2 eggs / 1 dl sour cream / 4 tbs milk / 1 tsp cornflour Gussnell / pepper / parsley leaves / 1 tbs Vegeta. Put the flour / baking powder / salt / water in a large bowl / stir it and make dough using electric blender. Leave the dough.

Parfe squares with coffee: Dough: 3 dg butter / 5 dg chocolate / 4 eggs / 12 dg flour / 10 dg sugar / 1 vanilla sugar Dolceta / 7 / 5 dl milk / 2 tbs. coffee instant. Mix foamy the butter and add melted chocolate. Mix egg whites and 6 dg sugar into firm snow. Mix creamy yolks the rest of sugar and vanilla sugar. Add that mixture and the other of butter / chocolate and flour to the snow made of egg whites. Put the mixture in the greased and floured pan (20x30 cm) and bake at 190°C for about 35 minutes. Prepare the parfe cream according to the instructions on the box / so that you put coffee in milk Pour the creme over the cold dough / level the surface and let it cool. Decorate the cool pastry with chocolate crumbs. **Aspic:** 5 pork feet / 75 dg pork head and skin / 8 dg carrots 7 4 dg parsley / 5 dg onion / 10 grains of pepper / 3 laurel leaves / 3 l water / 0,5 dl vinegar / 1 tbs. Vegeta. Scrape and wash the pork feet / head and skin (cut the feet first). Clean / wash and cut carrots / parsley and onions into rings. Put some cold water in a bigger pan and put meat / salt / grains of pepper / laurel / Vegeta and vinegar and cook for about 3 hours at a medium temperature. Add vegetables when the meat is half cooked. When the meat is done / take it out / separate from the bones and cut into smaller pieces. Drain the water / let it cool and remove the grease from the surface. Arrange the meat in a shallower dish / arrange the vegetables among meat and pour over warm soup where you cooked meat. Let it rest in a cold place till the fluid thickens. Afterwards cut it into squares 7 pour oil and vinegar over / add pepper and serve with onions.

Shrimps croquettes: 70 dg shrimps (prawns or scampi) / 8 dl water / 8 dg flour / 4 dg butter 1 tablespoon bread crumbs for breading / frying oil / 1 Vegeta tablespoon. In boiling water add Vegeta / washed shrimps and simmer for 5 minutes Then drain the stew and keep it. Remove scale from shrimps. Cool the meat and cut finely, remove the scales into stew and simmer for 20-30 minutes. On warm butter fry flour lightly / baste with filtered and cooled shrimps stew (2 / 5 dl) and cook stirring / until creamy combined mixture. Add shrimps / pepper / salt and cool. Shape croquettes or balls size of walnuts. Dip into whisked eggs / then into bread crumbs and fry in hot oil until gold. Put on kitchen absorbing paper to soak fat. As trimming to these tasty croquettes serve salads and ketchup and mayo sauces.

Walnut and poppy twins: Dough: 1



bag instant Di-go leaven / 4 dg Podravka rise flour / 8 dg butter / 2 yolks / salt / lemon peel / 2 dl milk. Walnut stuffing : 20 dg walnuts / 5 dg raisins / 15 dg sugar / cinnamon / 2 tablespoons rum / 1 dl milk / 12 dg vanilla sugar Dolceia / 5 dg molten butter / sugar in powder. Poppy stuffing : 15 dg poppy, 1 dl milk / 12 dg sugar / 5 dg raisins / lemon peel / cinnamon / 2 tablespoons rum / vanilla sugar Dolceia / 5 dg molten butter / sugar in powder. To warm flour add Di-go leaven and stir / add molten butter / sugar / yolks / a little salt / lemon peel and with warm milk make soft dough. Combine well until smooth and bright. Leave on warm place covered to rise and double the volume. Roll 1 cm flat, square shape if possible. Smear half the poppy stuffing. Fold each half to the middle and put them carefully into greased tin (cca 35 x 20 cm). Leave for 10 minutes / bake on 200 C for 50 minutes. Sprinkle sugar and cut cool. Walnut stuffing : gro-und walnuts mix with sugar / vanilla sugar / raisins dipped in rum / cinnamon / and boiling milk / stir well and shortly on hot fire. Poppy stuffing: smear ground poppy with boiling milk. Add sugar / raisins dipped in rum / lemon peel / cinnamon / vanilla sugar / mix well. **Noodles with yogurt:** 40 dg wide noodles / salt / 2 dg butter / 1 onion / 20 dg minced meat / 2 garlic cloves / 4 dl yogurt / 2 tbs. oil / 1 cube beef soup Podravka. Cook noodles in much salty water and drain. In the meanwhile heat butter in a pan and fry chopped onions / add minced meat beef soup cube and stew until it softens. Before it is done add chopped garlic / remove from the stove and mix yogurt and 2 tbs. oil. Put noodles in a dish and pour the prepared sauce over them. **Walnut pancakes with wine sauce:** Batter: 3 dg flour / 1 egg / 1 yolk / 1,4 l milk or mineral water / salt / frying oil. Stuffing: 8 dg walnuts / 2 dg sugar / cinnamon / vanilla sugar Dolceia. Wine switched egg: 2 yolks / 2 eggs / 4 tbs. sugar / 3 dl white wine. Mix yolks / eggs and some salt in a deep bowl / add gradually flour and milk or mineral water. Make pancakes from the prepared batter. Pour batter in the middle of the greased (some oil) pan with a smaller ladle. Turn the pan so that the batter spreads equally over the pan. Turn the pancake when the bottom side gets a yellow brownish color. Stuff the pancakes with walnuts with sugar / cinnamon and vanilla sugar. Arrange them on a warm plate and pour the wine sauce over. Serve warm. **Wine switched egg sauce:** mix yolks / eggs and sugar add wine and put the pan in hot water to cook. Stir until it all becomes a thick foam. Pour immediately over the pancakes. Homemade shrimps: 1 kg shrimps in scale / 1 dl olive oil / salt / pepper / 1 tbs. Vegeta / 4 garlic cloves / parsley. Heat some oil in a wide pan / fry shrimps and during frying turn them once. After that pour some cold water over them so that they are covered. Sprinkle over Vegeta / some salt / pepper / finely cut garlic and parsley. Leave them simmer. At the end pour over cold olive oil and the soup in which you cooked them. Arrange shrimps on a plate and pour the soup over. **Flavoured potato salad:** 80 dg potatoes / 1 onion / 2 pickled gherkins Podravka / 1 cube beef soup Podravka / 1 tbs of mustard Estragon Podravka / 1 clove of garlic / pepper. Boil the potatoes with peel / peel off the potatoes and cut into slices. Cut onion and pickled gherkins into little cubes and add, boil the cube of beef soup in 20 dl of water / cool a little and stir the mustard / kneaded garlic and a little pepper and pour the mixture over potatoes and gently stir. Leave covered for 20 minutes. Serve the salad alone or with roast or grilled meat. **Sirloin with sour cream:** 1 kg sirloin (beefsteak) / 4 dg smoked bacon / 5 tbs oil / 7 dg celery roots / 8 dg carrots / 5 dg parsley oots / 6 dg onions / salt / pepper / corn / allspice / bay leaves / thyme / 2-3 tbs vinegar / lemon / 2 dg butter / 1-2 tsp sugar / 1 tbs flour / 20 dl sour cream / 1 tbs Vegeta. Put the sticks of bacon / salt and cook each side on heated oil. Add vegetables and onion cut into slices and fry all together. Add allspice / bay leaves / thyme / ground pepper / two lemon slices and Vegeta. Stew until soft, take it out and leave on warm / run vegetables through a stainer. Heat the butter and gently caramelize the sugar / add the vegetables / stir flour in a little water and cook all together. If necessary, put a little water in sauce and stir sour cream. Cut the meat into thin slices / place on a plate and pour over with hot sauce. Serve with Czech dumplings made of raising dough / bread dumplings or croquettes. Decorate with lemon slices / whipped cream and cranberries. **Flavoured potato salad:** 80 dg potatoes / 1 onion / 2 pickled gherkins Podravka / 1 cube beef soup Podravka / 1 tbs of mustard Estragon Podravka / 1 clove of garlic / pepper. Boil the potatoes with peel / peel off the potatoes and cut into slices. Cut onion and pickled gherkins into little cubes and add, boil the cube of beef soup in 20 dl of water / cool a little and stir the mustard / kneaded garlic and a little pepper and pour the mixture over potatoes and gently stir. Leave covered for 20 minutes. Serve the salad alone or with roast or grilled meat.

8. PODRAVKA-INTERNATIONAL

EXPORT-IMPORT Sp.z.o.o.

Ul. Rejtana 15 /24, Warszawa

Poland

Davorin Gojković

Marijan Janković

Podravka d.d. (100%)

9. PODRAVKA POLSKA Sp.z.o.o.

Ul. Asfaltowa 28, Kostrzyn

/Odra

Poland

Davorin Gojković

Podravka d.d. (100%)

10. PODRAVKA-INTERNATIONAL

Ilka u. 34., 1143 Budimpešta

Hungary

Dražen Pros

Podravka d.d. (100%)

11. PODRAVKA d.o.o.

Beograd, Simina 18

Yugoslavia

Krunoslav Bešvir

Podravka d.d. (100%)

12. PODRAVKA-INTERNATIONAL

Str. Pridvorului nr. 5A, sect. 4

Bucuresti

Romania

Marijan Posavec

Podravka d.d. (100%)

13. PODRAVKA-INTERNATIONAL

Pty. Ltd unit 4

59-64 Cawarra Road, Caringbah

NSW 2229 Sydney

Australia

Jasna Mujadžić

Podravka d.d. (100%)

Publisher: Podravka d.d., Korporativne komunikacije / photography: Marin Topić / assistant of photography: Davor Javorović / graphic design: Bruketa & Žinić / layout : Igor Balen / prepress: MIT d.o.o. Osijek / printed by: BIL d.o.o. Osijek / number of copy 1500 kom / year 2002 //this publication was printed on environment friendly paper.

