

Pursuant to item 2 of Article 277 of the Companies Law (Official Gazette No. 111-1993, 34-1999, 52-200, 118-2003 and 107-2007), and pursuant to Article 22 of the Articles of Association of PODRAVKA d.d. Koprivnica and Article 4 of the Rules of Procedure of the Management Board, the Management Board of PODRAVKA d.d. has passed on its 142nd meeting on May 28th 2008 the following

RESOLUTION

On Convening the General Assembly of PODRAVKA d.d., Koprivnica

- I. The **GENERAL ASSEMBLY** of PODRAVKA d.d. has been convened

on July 22nd 2008 (Tuesday) at 12.00 a.m.
at the Conference Hall of PODRAVKA d.d.
A. Starčevića Street 32, Koprivnica

- II. It has been made up and published hereby the following

AGENDA FOR THE GENERAL ASSEMBLY:

1. Opening of the General Assembly, determination of present and represented shareholders and their proxies;
2. Election of the president and vice-president of the General Assembly of PODRAVKA d.d.;
3. The report of the Supervisory Board of PODRAVKA d.d. on the supervision over the leading of PODRAVKA d.d. business operations in 2007;
4. Determination of annual financial statements for the 2007 business year:
 - 4.1. Consolidated for PODRAVKA d.d. (parent company and subsidiaries);
 - 4.2. For PODRAVKA d.d.
 - 4.3. Report of independent auditors of PODRAVKA d.d.
 - 4.4. Annual report of the Management Board of PODRAVKA d.d. on PODRAVKA d.d. (parent company and subsidiaries) business operations and on the position of the Company in the 2007 business year;
5. Appropriation of the profit for the 2007 business year;
6. Discharge of the members of the Management Board of PODRAVKA d.d.;
7. Discharge of the members of the Supervisory Board of PODRAVKA d.d.;
8. Dismissal of the members of the Supervisory Board of PODRAVKA d.d.;
9. Election of the members of the Supervisory Board of PODRAVKA d.d.;
10. Appointment of auditors of PODRAVKA d.d. for the 2008 business year and determination of their fee.

- III. All shareholders of PODRAVKA d.d. are entitled to attend and vote at the General Assembly (1 share = 1 vote), who have been entered into the computer system kept by the Central Depository Agency, provided notice of attendance has been given to the Management Board's Office – Secretary Office of the Company not later than 15th July 2008 at 4.00 p.m.
- IV. Any further entries of changes to the computer system kept by the Central Depository Agency shall be suspended as of 15th July 2008 at 4.00 p.m. until the first working day following the day of the General Assembly. Any requests for subscription to the computer system kept by the Central Depository Agency submitted in the period when the subscriptions are suspended will be considered submitted on the first working day following the meeting of the General Assembly.
- V. Shareholders may attend and vote at the General Assembly in person or through a proxy. Powers of attorney for attendance and exercise of right to vote shall be issued in writing and distributed to all shareholders. Shareholders may be represented by proxies provided they have valid powers of attorney issued by shareholders, or in behalf of shareholders being legal entities, and by persons authorized for representation pursuant to provisions in Article 29 of the Articles of Association of PODRAVKA d.d.
- VI. Shareholders of PODRAVKA d.d, representatives of shareholders or proxies shall give notice of attendance and exercise of right to vote at the General Assembly in writing not later than 15th July 2008 at 4.00 p.m. (the seventh day prior to the meeting of the General Assembly) to the following address:

PODRAVKA d.d.
MANAGEMENT BOARD'S OFFICE
SECRETARY OFFICE OF THE COMPANY
Ante Starčevića Street 32
48000 KOPRIVNICA

Notice of attendance (to be valid) must contain, and be attached by:

a) Shareholders – natural persons:

- name and surname, home address, PIN and number of shares held (number of votes at the General Assembly);

b) Proxies of shareholders – natural persons:

b/1. Proxies – natural persons:

- name and surname, home address, PIN and number of shares held (number of votes at the General Assembly) they have been authorized to represent,
- attached to the notice: individual powers of attorney issued by shareholders (forms distributed to shareholders);

b/2. Proxies – legal entities:

- name of company, or name of legal entity, its domicile and address, number of shares (number of votes at the General Assembly),
- photocopy of excerpt of court or any other register of authorised persons for representation of a legal entity in current year,
- attached to the notice: individual powers of attorney in writing;

c) Shareholders – legal entities:

- name of company, or name of legal entity, its domicile and address, number of shares (number of votes at the General Assembly),
- photocopy of excerpt of court or any other register of authorized persons for representation of legal entity in current year,

— proxy's power of attorney for representation of legal entity (if legal entity is not represented by a person authorized for representation pursuant to law provisions).

- VII. Shareholders, representatives and proxies of shareholders who fail to meet obligations to give proper notice of attendance at the General Assembly pursuant to this Resolution, shall not be entitled to attend and decide at the General Assembly of PODRAVKA d.d.
- VIII. Pursuant to provision in Article 29, item 4 of the Articles of Association of PODRAVKA d.d., shareholders, their proxies and representatives shall bear expenses of their attendance at the General Assembly.
- IX. This Resolution and draft resolutions proposed to the General Assembly by the Management Board and the Supervisory Board of PODRAVKA d.d. will be published in the "Official Gazette", "Vjesnik" and Circular Letter which is distributed to all shareholders, and on the internet pages of PODRAVKA d.d.
- X. Resolution on convening of the General Assembly of PODRAVKA d.d., draft proposals submitted to the General Assembly for an approval and the Report of the Supervisory Board on performed supervision over leading of business operations will be published in the Circular Letter to be delivered by mail to all shareholders to their home address recorded in the computer system of the Central Depository Agency. Exceptionally, if the Circular Letter fails to be delivered by mail, it will be available to shareholders at PODRAVKA d.d. domicile every working day from 10 a.m. to 1.00 p.m., as of the date of convening the General Assembly and on internet pages of PODRAVKA d.d. Copies of contracts entered with the members of the Management Board will be available to the shareholders at the venue of the General Assembly 15 minutes before the meeting of the General Assembly and after the conclusion of the General Assembly.
Participants in the General Assembly are kindly invited to arrive to the reception desk of PODRAVKA d.d. two hours earlier than the specified time of the General Assembly for the purpose of registration and delivery of materials for participation at the General Assembly.
- XI. If a quorum is not present at the General Assembly on 22th July 2008, as provided in Article 30 of the Articles of Association of PODRAVKA d.d., the General Assembly will be adjourned and held on 29th July 2008 at 12 a.m. at the same venue and with the same agenda. This General Assembly will be held and valid resolutions will be passed regardless of the number of present and represented shareholders.

**REPORT OF THE SUPERVISORY BOARD OF PODRAVKA d.d.
ON THE SUPERVISION OF LEADING BUSINESS OPERATIONS OF
PODRAVKA d.d. IN 2007**

This Report covers the period from 1st January 2007 until 31st December 2007.

The Supervisory Board of PODRAVKA d.d. (hereinafter: the "Supervisory Board") pursuant to powers defined in provisions of the Companies Law, the Articles of Association of PODRAVKA d.d. and the Rules of Procedure of the Supervisory Board, continually supervised the leading of business operations of PODRAVKA d.d. in 2007 by making decisions and conclusions on five sessions held in 2007.

By supervising the leading of business operations of PODRAVKA d.d., the Supervisory Board discussed numerous issues regarding business operations of PODRAVKA d.d. and its subsidiaries in 2007.

The Supervisory Board appointed four committees: Audit Committee, Remuneration Committee, Human Resources Committee and Strategic Development Committee. Audit Committee held three sessions, Remuneration Committee held one session and Human Resources Committee held one session in 2007.

In the period from 1st January 2007 until 31st December 2007 the Supervisory Board acted and consisted of the following members:

Mladen Vedriš, Marko Ećimović, Milan Artuković, Goran Gazivoda, Damir Felak, Boris Hmelina, Ksenija Horvat, Franjo Maletić, Josip Pavlović, Dražen Sačer and Dubravko Štimac.

Having examined the leading of business operations of PODRAVKA d.d., the Supervisory Board determined that PODRAVKA d.d. acted in 2007 in accordance with laws, acts of PODRAVKA d.d. and resolutions of the General Assembly.

The Supervisory Board examined the report of the Auditors - Deloitte d.o.o., Zagreb, Radnička Street 80, who had reviewed financial reports of PODRAVKA d.d. and its subsidiaries for the year ended 31st December 2007 and the Supervisory Board accepted the submitted report of Auditors.

After having reviewed the Annual report on PODRAVKA d.d. and its subsidiaries business operations and on position of the Company in 2007, submitted by the Management Board of PODRAVKA d.d., the Supervisory Board has determined that annual financial reports of PODRAVKA d.d. and its subsidiaries for the year ended 31 December 2007 were disclosed in accordance with positions in business books of PODRAVKA d.d. and its subsidiaries, and that they disclosed correctly property and business positions of PODRAVKA d.d. and its subsidiaries, and therefore the Supervisory Board approved them.

In accordance with Article 300 d of the Companies Law, the Supervisory Board submits annual financial reports to the General Assembly of PODRAVKA d.d. for their determination.

Constituent parts of financial reports of PODRAVKA d.d. for the year ended 31st December 2007 are as follows:

- a) Profit and Loss Account of PODRAVKA d.d.
- b) Balance Sheet of PODRAVKA d.d.,
- c) Cash Flow Statement of PODRAVKA d.d.
- d) Statement of Changes in Equity of PODRAVKA d.d.
- e) Notes to the Financial Statements of PODRAVKA d.d.
- f) Profit and Loss Account of PODRAVKA d.d. and its subsidiaries,
- g) Balance Sheet of PODRAVKA d.d. and its subsidiaries,
- h) Cash Flow Statement of PODRAVKA d.d. and its subsidiaries,
- i) Statement of Changes in Equity of PODRAVKA d.d. and its subsidiaries,
- j) Notes to the Financial Statements of PODRAVKA d.d. and its subsidiaries,
- k) Report of the Auditors on the audit conducted by Deloitte d.o.o. Zagreb, Radnička Street 80.

The Supervisory Board approved the report of the Management Board of PODRAVKA d.d. on the position of PODRAVKA d.d. and PODRAVKA d.d. and its subsidiaries and the report is submitted to the General Assembly for adoption.

The Supervisory Board approved the draft resolution of PODRAVKA d.d. concerning the appropriation of the profit for the 2007 business year, and the draft resolution has been submitted to the General Assembly of PODRAVKA d.d. to be adopted.

DRAFT RESOLUTIONS OF THE GENERAL ASSEMBLY OF PODRAVKA d.d.

The Management Board and the Supervisory Board of PODRAVKA d.d. recommend to the General Assembly passing the following resolutions (items 2, 4, 5, 6 and 7):

Re item 3 on the Agenda:

- I **BRANKO VULJAK** from Đelekovec, Mihovila Pavleka Miškine 94, to be elected as the president of the General Assembly of PODRAVKA d.d. with the 4 (four) year mandate
- II **TOMO TROŠELJ** from Koprivnica, Vinica 2, to be elected as the vice-president of the General Assembly of PODRAVKA d.d. with the 4 (four) year mandate
- III The mandates of the elected president and vice-president of the General Assembly of PODRAVKA d.d. begin by the day of passing this Resolution.

Re item 4 on the Agenda:

- I. Annual financial statements for the 2007 business year, reports and opinions of authorised auditors included, are determined:
 - consolidated for PODRAVKA d.d. (parent company and subsidiaries);
 - for PODRAVKA d.d.
- II. Annual report of the Management Board of PODRAVKA d.d. on business operations of the PODRAVKA d.d. (parent company and subsidiaries) and on the position of the Company in 2007 business year is determined.

Re item 5 on the Agenda:

- I. Profit of PODRAVKA d.d., as disclosed in financial statements of PODRAVKA d.d. for the 2007 business year totalling HRK 3,628,469.32, will be appropriated as follows:
 - 5% of profit to the amount of HRK 181,423.47 will be allocated for legal reserves (Article 222 of the Companies Law),
 - the amount of HRK 3,447,045.85 will be allocated. to reserves for own shares
- II The remaining portion of other reserves to the amount of HRK 13,765,262.39 and statutory reserves to the amount of HRK 2,090,075.77 will be allocated to reserves for own shares.

Re item 6 on the Agenda:

Discharge is given to the members of the Management Board of PODRAVKA d.d. in respect of their duties carried out in the leading of PODRAVKA d.d. in 2007.

Re item 7 on the Agenda:

Discharge is given to the members of the Supervisory Board of PODRAVKA d.d. by which their duties and supervision over the leading of business operations of PODRAVKA d.d. in 2007 have been approved.

The Supervisory Board of PODRAVKA d.d. recommends to the General Assembly passing the following resolutions (items 8, 9 and 10):

Re item 8 on the Agenda:

- I Upon the expiry of their mandates the following members of the Supervisory Board are relieved of their office:
 - **Mr MARKO EĆIMOVIĆ** from Koprivnica, Rudolfa Horvata 54 (PIN 2501947311413) - the vice-president of the Supervisory Board
 - **Mr MILAN ARTUKOVIĆ** from Zagreb, Nazorova 18 (PIN 11059343300569 – the member of the Supervisory Board, and
 - **Mr GORAN GAZIVODA** from Zagreb, Ivana Kukuljevića 3 (PIN 1203949330062) – the member of the Supervisory Board.
- II This resolution is in force by the day of its passing by the General Assembly of PODRAVKA d.d.

Re item 9 on the Agenda:

- I The following members of the Supervisory Board of PODRAVKA d.d., with the mandate of 4 (four) years, are elected:
 - 1. **Ms KARMEN ANTOLIĆ** (born on 9th October 1959), from Koprivnica, Tome Čikovića 19, medical doctor, internal medicine specialist (ID 101701220);
 - 2. **Mr NIKOLA GREGUR** (born on 14th November 1953), from Koprivnica, Braće Radića 27a, graduate in economics (ID 100229708)
 - 3. **Mr DAMIR KOVAČIĆ** (born on 24th April 1965), from Zagreb, Dotršćinska 16, doctor of science (PIN 102960645);
 - 4. **Mr DARKO MARINAC** (born on 21st December 1950), from Zagreb, Vidovčica 10, industrial chemist (PIN 15697086)
 - 5. **Mr BRANKO VULJAK** (born on 28th August 1955), from Đelekovec, Mihovila Pavleka Miškine 94), electrical engineer (PIN 15614280).
- II The mandate of elected members of the Supervisory Board mentioned in item 1 of this resolution begins by the day of passing this resolution.

Re item 10 on the Agenda:

- I. The financial statements of the parent company PODRAVKA Food Processing Industry d.d. Koprivnica and of its affiliated (subsidiary) companies, and also consolidated financial statements of the PODRAVKA Group shall be audited by the authorised auditors:

Deloitte d.o.o.
headquartered in Zagreb, Radnička cesta 80/VI.

- II. The Management Board of PODRAVKA d.d. shall be authorized to enter appropriate agreements on auditing with the above mentioned Auditing Company and to fix remuneration for their service.

PODRAVKA d.d.
Koprivnica