

Podravka Group

Erste Investor Conference

Cavtat, 2007





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Podravka Group

Overview

- ♥ One of the largest branded food companies in the region
 - large brand portfolio
 - international Superbrands
 - operates in accordance with the principles of sustainable development
- ♥ Podravka in Croatia
 - the largest food company
 - the second pharmaceutical company per MS
- ♥ Production facilities
 - mostly in Croatia (food, beverages and pharmaceuticals)
 - Czech Republic, Slovakia, Poland (food)
- ♥ Strong distribution network
 - covering key emerging markets
 - distribution agreements with Nestlé and Unilever
- ♥ Current processes in Podravka
 - complexity management (portfolio optimization)
 - restructuring



Strategic Business Areas

<p>Food and beverages 83% of revenue 2006</p>			<p>Pharmaceuticals 17% of rev.2006</p>		<p>SBA</p>
<p>Podravka Food</p>	<p>Commercial goods *</p>	<p>Beverages</p>	<p>Pharmaceuticals</p>		
<ul style="list-style-type: none"> • Vegeta –food seasoning • Podravka dishes (soups, fruit, vegetables, ready-made meals, frozen food) • Baby food, Sweets & Snack • Meat products & canned fish 	<ul style="list-style-type: none"> • Nestlé • Unilever • SMS • Deit • Kraš 	<ul style="list-style-type: none"> • Studena- spring water • Studenac- carbonated water • Other soft drinks 	<ul style="list-style-type: none"> • Generic drugs -RX -OTC 		<p>Products</p>



* third parties' goods



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Key activities 2006/07

New products



Čokolino breakfast cereals launched in February 2006

Čokolino sweet spread launched in September 2006

Lino baby food with prebiotic launched in July 2006



New products



New Vegeta Liquid Stock launched in Australia- May 2006

- Food supplement achieved:
- revenue growth of 34%
 - increase of MS in Australia – 22% up to 29%



Vegeta piquant launched in September 2006

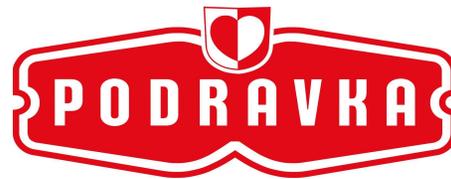


New products and new design

Podravka Soups



The new design of Podravka Soups in September 2006



Ready-made meals

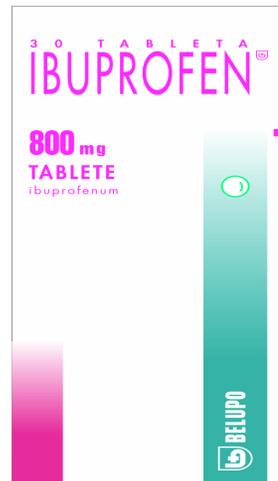


Ready-made meals launched in February 2006

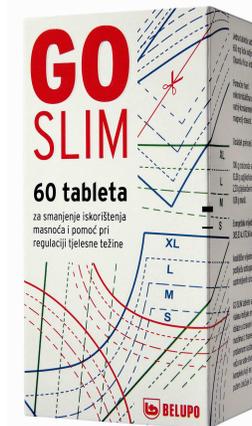
New pharmaceutical products



Rx



OTC



Eva brand acquisition in 3Q 2006



Podravka purchases EVA brand from Adria, Zadar



one of the most accepted brands of canned fish in Croatia and Southeast Europe (GfK research)



among top brands for recognizability, use, popularity in sardines category in the markets of Croatia and South East Europe (GfK research)



listing of new products in the first quarter of 2007



a category with big potential of expanding assortment of new products

Sardines

Tuna



Warzywko & Perfecta brand acquisition in May 2007



Podravka received approval from Polish Agency for the protection of market competition to purchase Warzywko and Perfecta brands



Warzywko – Polish brand for universal and special food seasoning and bouillons



Perfecta – universal food seasonings brand sold in Russia, Ukraine, Romaina



Purchasing Warzywko Podravka will strengthen its leader position on Polish market of food seasonings



Purchasing Warzywko Podravka enters “medium price” segment on Polish market and expands consumer base and profiles

Warzywko



Perfecta



Investments overview 2006





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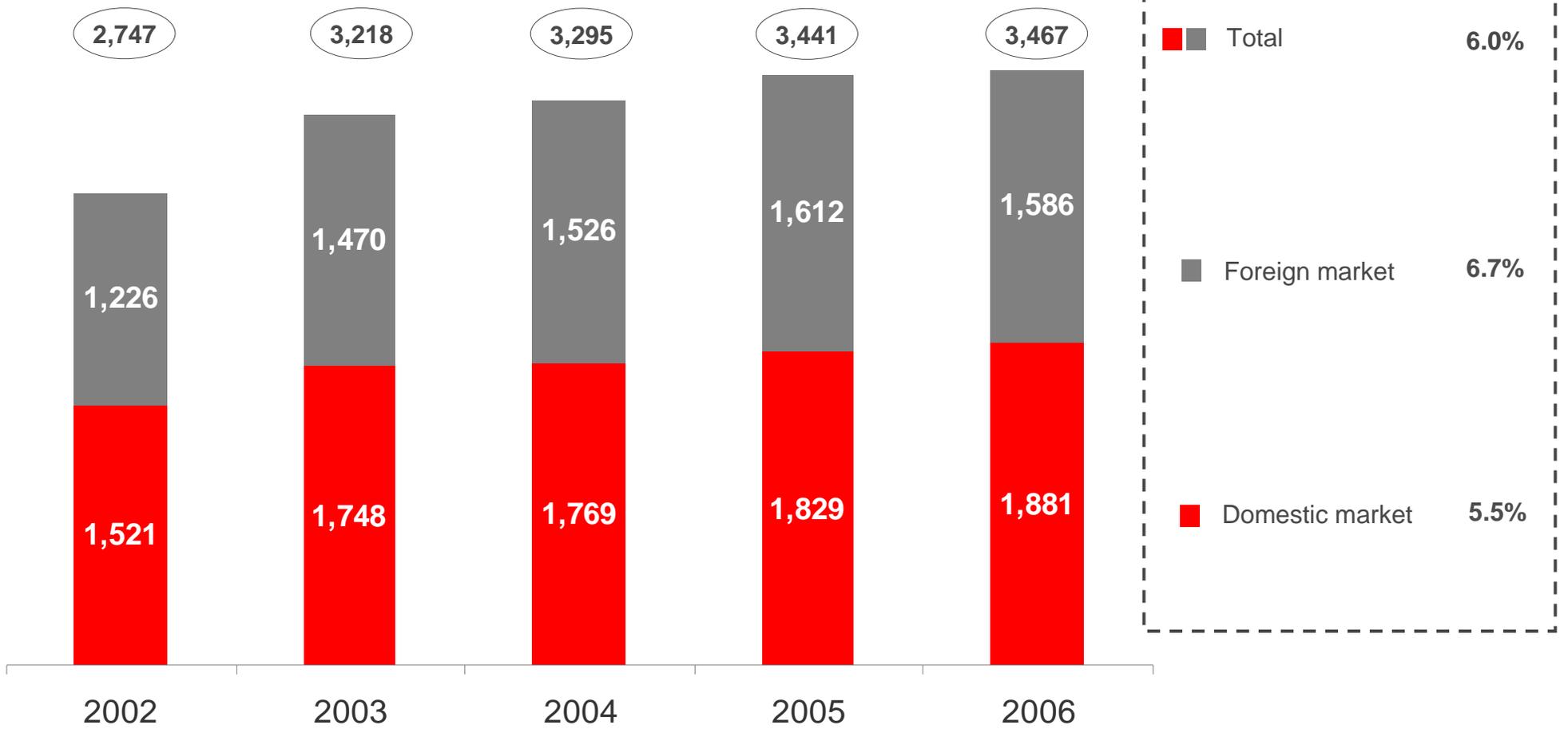
BELUPO

Business results 2006

Revenue growth

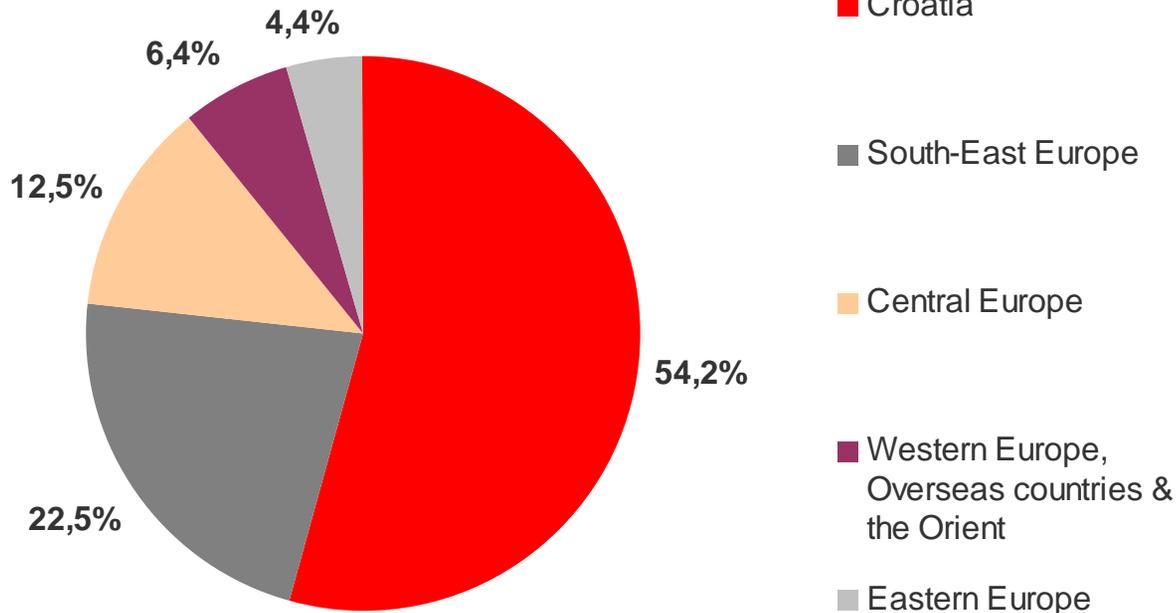
Sales growth on domestic and foreign markets
2002-2006

HRK
mn

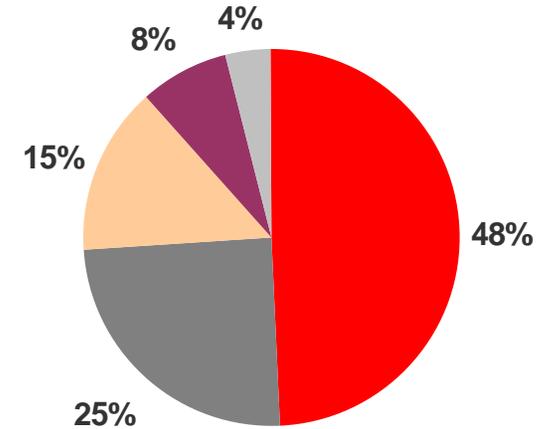


Sales structure per markets

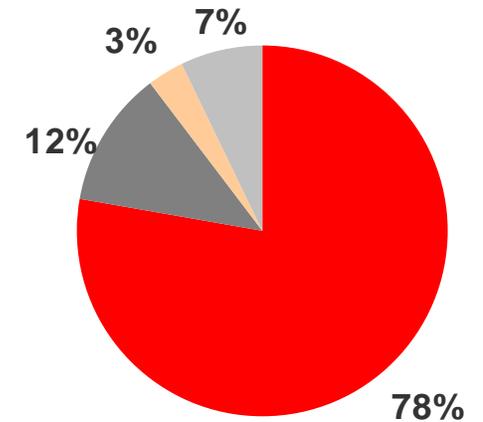
Sales structure per markets



Sales structure of SBA Food & Beverages per markets



Sales structure of SBA Pharmaceuticals per markets



SEE: B&H, Serbia, Slovenia, Macedonia, Montenegro, Kosovo, Albania

CE: Czech Republic, Poland, Slovakia, Hungary

WE, OC& the Orient: Germany, USA, Australia, Austria, Benelux, Scandinavia, Canada, France, UK, Switzerland, Turkey and others

EE: Russia, Pribaltic, Romania, Ukraina and others

Restructuring process in 2006

Management Board decides to speed up the restructuring process

Koprivnička tiskarnica d.o.o. spin-off

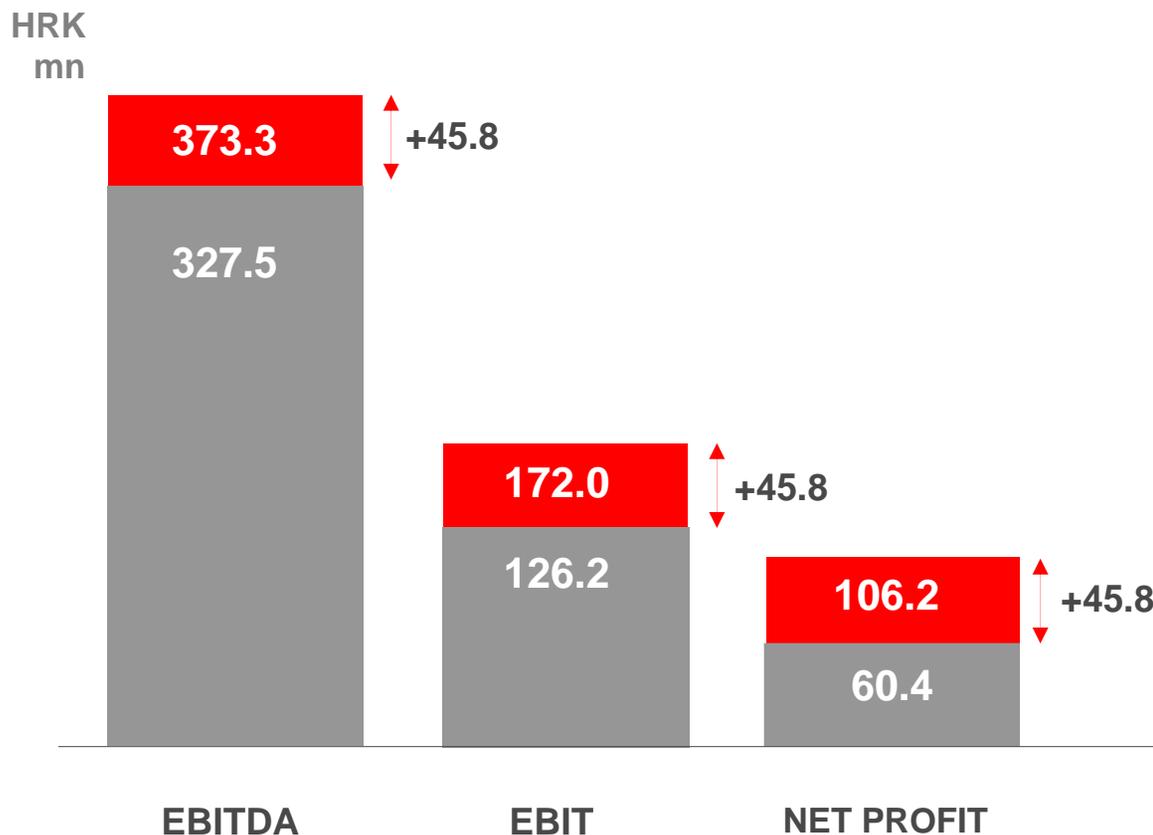
Merge of companies in Poland

New Collective agreement signed

Severance payments

Internal reallocation of employees with the purpose of reducing seasonal/casual employment

- 2006 Results without restructuring costs
- 2006 Reported results



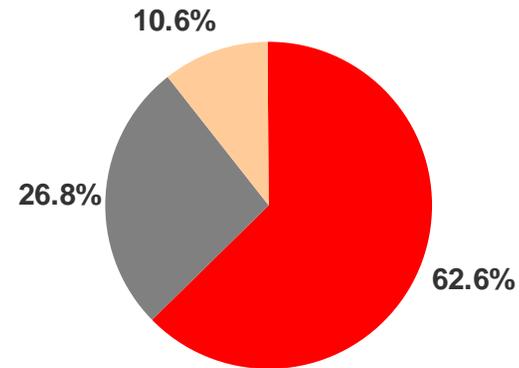
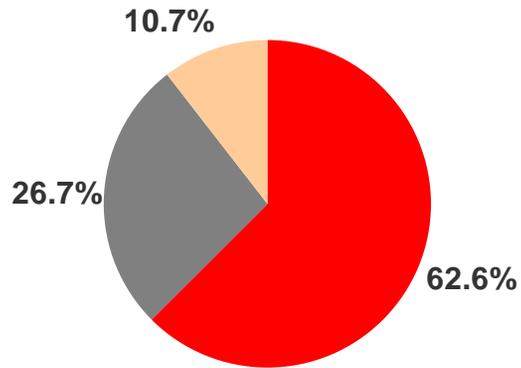
Podravka Group business results without the restructuring costs impact

Podravka Group in millions HRK	Results without the restructuring costs impact			Reported results		
	2006	2005	06/05	2006	2005	06/05
Sales	3,467.5	3,441.4	1%	3,467.5	3,441.4	1%
Gross profit	1,351.2	1,336.9	1%	1,351.2	1,336.9	1%
EBITDA	373.3	315.9	18%	327.5	308.5	6%
EBIT	172.0	92.9	85%	126.2	85.5	48%
Net profit	106.2	70.0	52%	60.4	62.6	-4%
Gross margin %	39.0	38.8	12 bp	39.0	38.8	12 bp
EBITDA margin %	10.8	9.2	159 bp	9.4	9.0	48 bp
EBIT margin %	5.0	2.7	226 bp	3.6	2.5	116 bp
Net margin %	3.1	2.0	103 bp	1.7	1.8	-8 bp

Structure of operating expenses

2005
2006

HRK 3,363.1 mn
HRK 3,381.5 mn
operating expenses



Advertising and promotion costs

←

■ COGS

■ S&D costs

■ G&A costs

■ ■ ■ Total

+ 9%

	in relation to 2005	share in sales 2006	change
COGS	+1%	61.0%	-20 bp
S&D costs	+1%	26.1%	0 bp
G&A costs	0%	10.4%	0 bp
Total	+1%	97.5%	-20 bp



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Business results

1Q 2007

Revenue per markets Jan-Mar 2007

SALES PERFORMANCE

Podravka Group

Group sales HRK 717 mn
Change (07/06) -5%

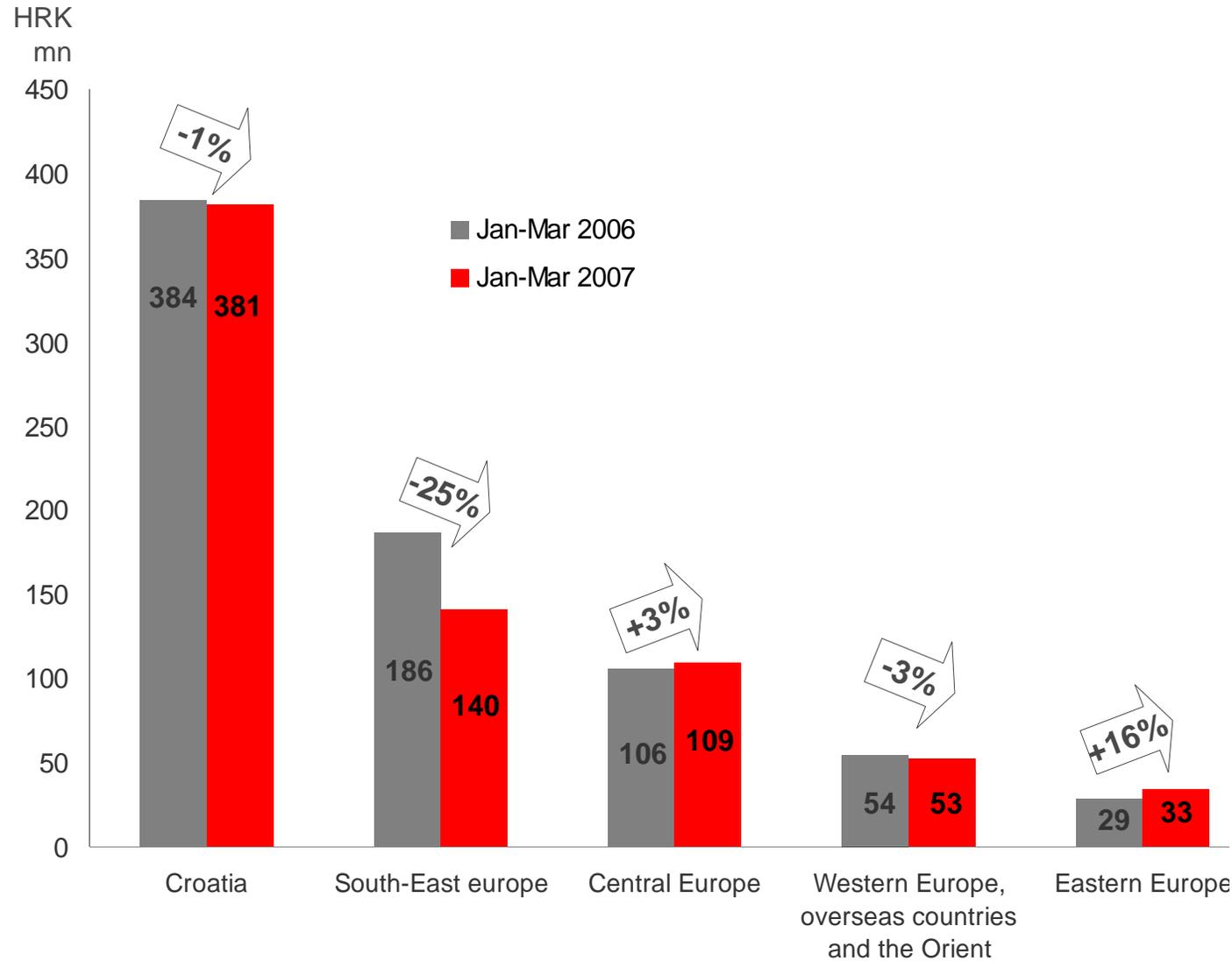
Organic growth

Podravka's brands HRK 523 mn
Change (07/06) +4%

Commercial goods HRK 70 mn
Change (07/06) -46%

Pharmaceuticals HRK 122 mn
Change (07/06) -1%

Podravka Group sales per markets Jan-Mar 2007



Business results Jan-Mar 2007

PODRAVKA GROUP

in millions HRK

	January - March		change
	2007	2006	
Sales revenues	716.6	758.2	-5%
Gross profit	301.2	295.5	2%
EBITDA	76.4	78.9	-3%
EBIT	30.5	25.0	22%
Net profit	15.0	16.2	-8%
Profit margins			
Gross margin	42.0	39.0	300 bp
EBITDA margin %	10.7	10.4	30 bp
EBIT margin %	4.3	3.3	100 bp
Net margin %	2.1	2.1	0 bp



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Podravka's share

Podravka's share performance

listed in the Official Market of Shares of Zagreb Stock Exchange since 1998

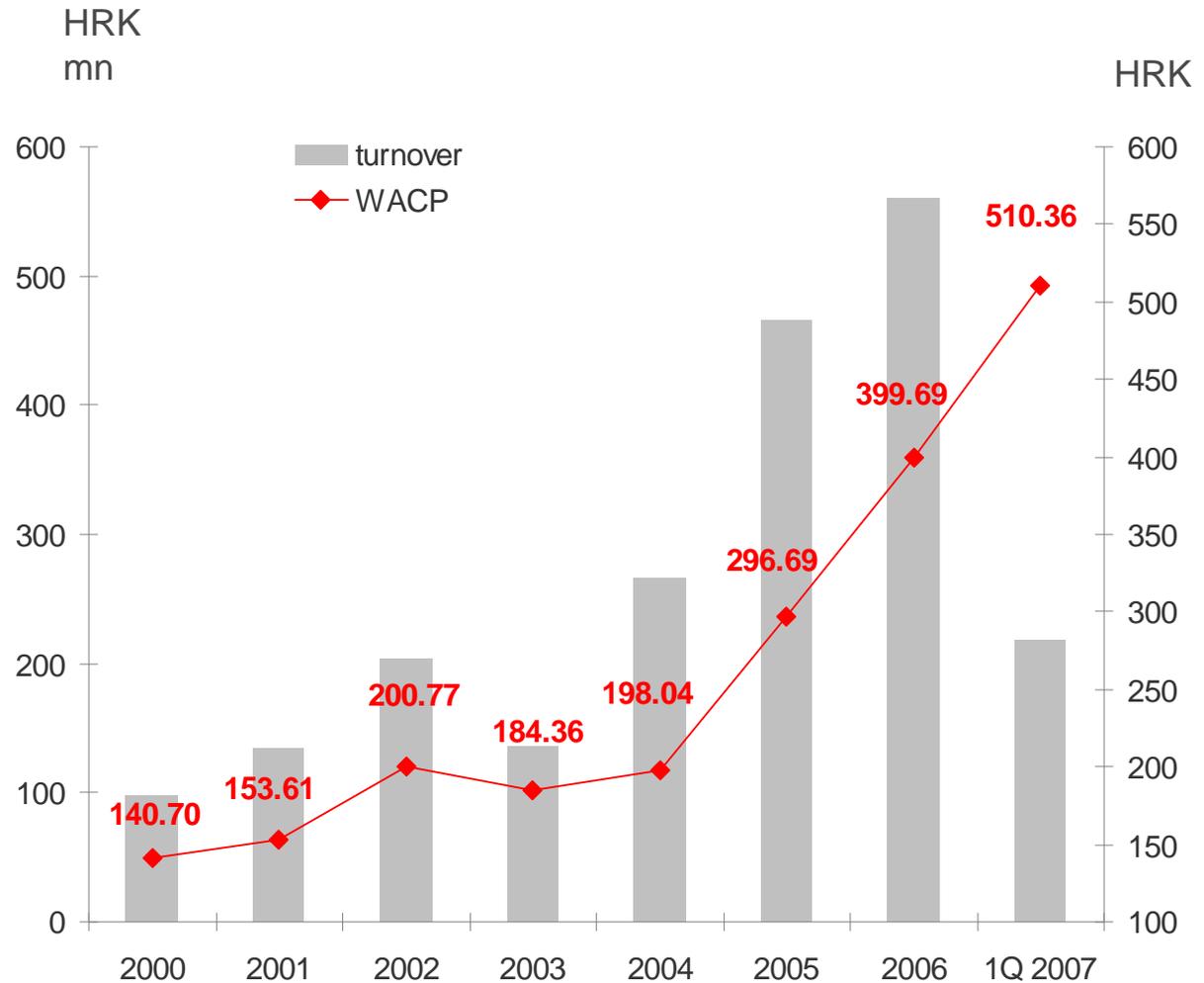
one of the most liquid share of Zagreb Stock Exchange

included in Croatian indices CROBEX[®] and CROEMI[®]

included in SETX (South-East Europe Traded Index) of the Vienna Stock Exchange since February 2006

one of the best share performance on the Croatian equity market

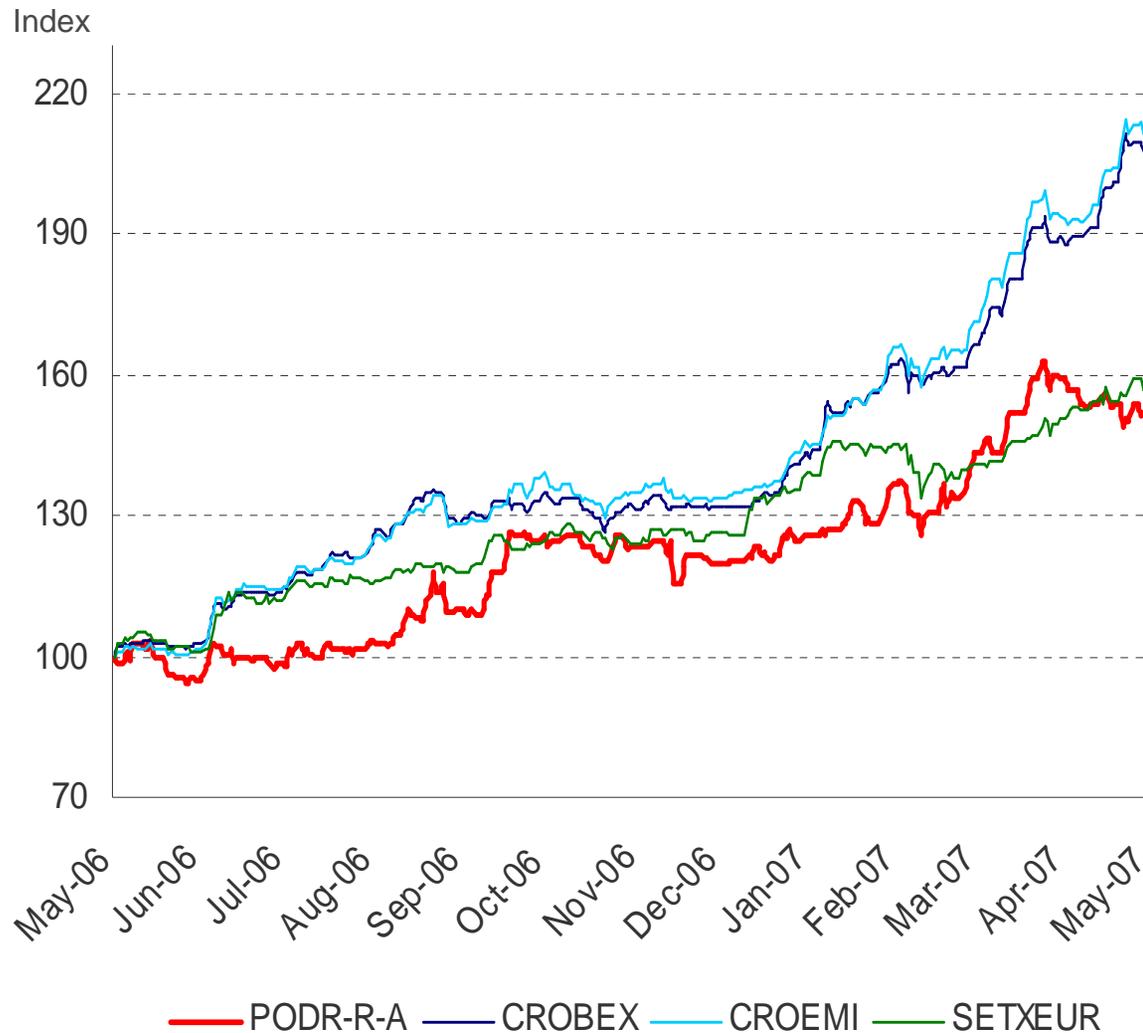
Podravka's share price and turnover



Comparative indices movement

Comparative indices movement and PODR-R-A

Basic index (25/05/2006=100)



INDEX WEIGHT

	25/05/2007
SETX	2.2%
CROBEX	7.8%
CROEMI	9.9%

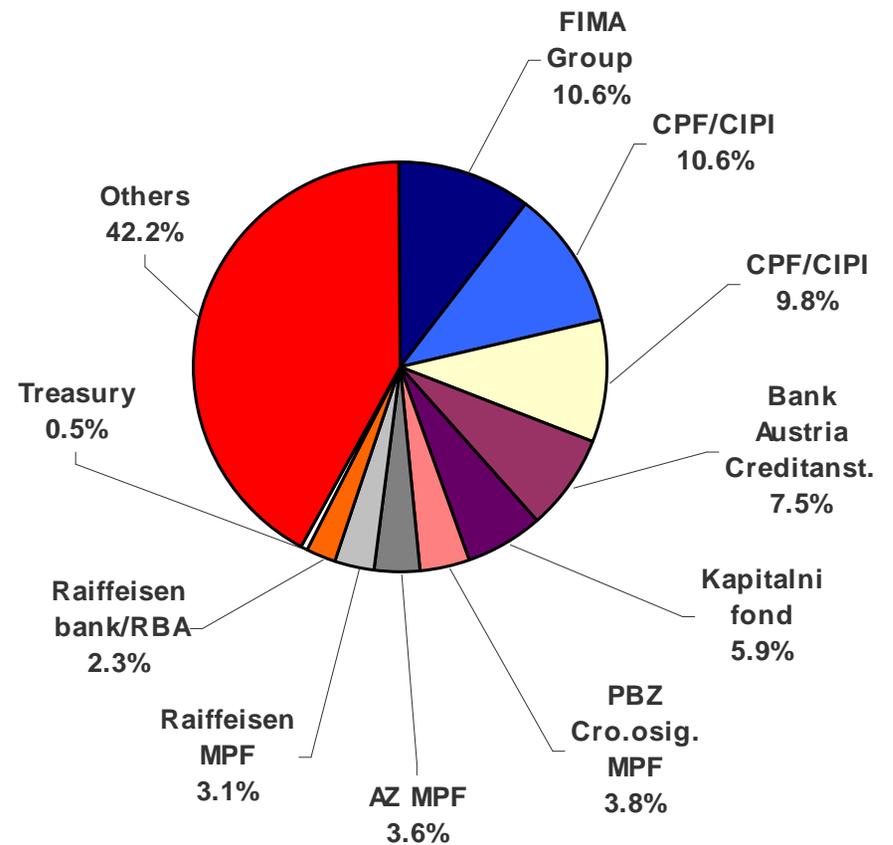
RECOMMENDATIONS

ERSTE	ACCUMULATE
FIMA	HOLD
HAAB	HOLD
RBA	HOLD

Shareholder structure on 25 May 2007

SHAREHOLDERS	No. of shares
FIMA Group d.d.	576,880
CPF/CIPI	575,598
CPF/CIPI	532,808
Bank Austria Creditanst.	404,231
Kapitalni fond d.d.	321,804
PBZ Cro.osig. d.d. MPF	205,090
AZ MPF	195,616
Raiffeisen MPF	169,913
Raiffeisen bank/RBA	125,466
Treasury	24,659
Others	2,287,965
TOTAL	5,420,003

- ▶ Top 10 shareholders 60%
- ▶ other legal and natural persons 40%



CPF Croatian Privatization Fund
 CIPI Croatian Institute for Pension Insurance
 MPF Mandatory Pension Fund



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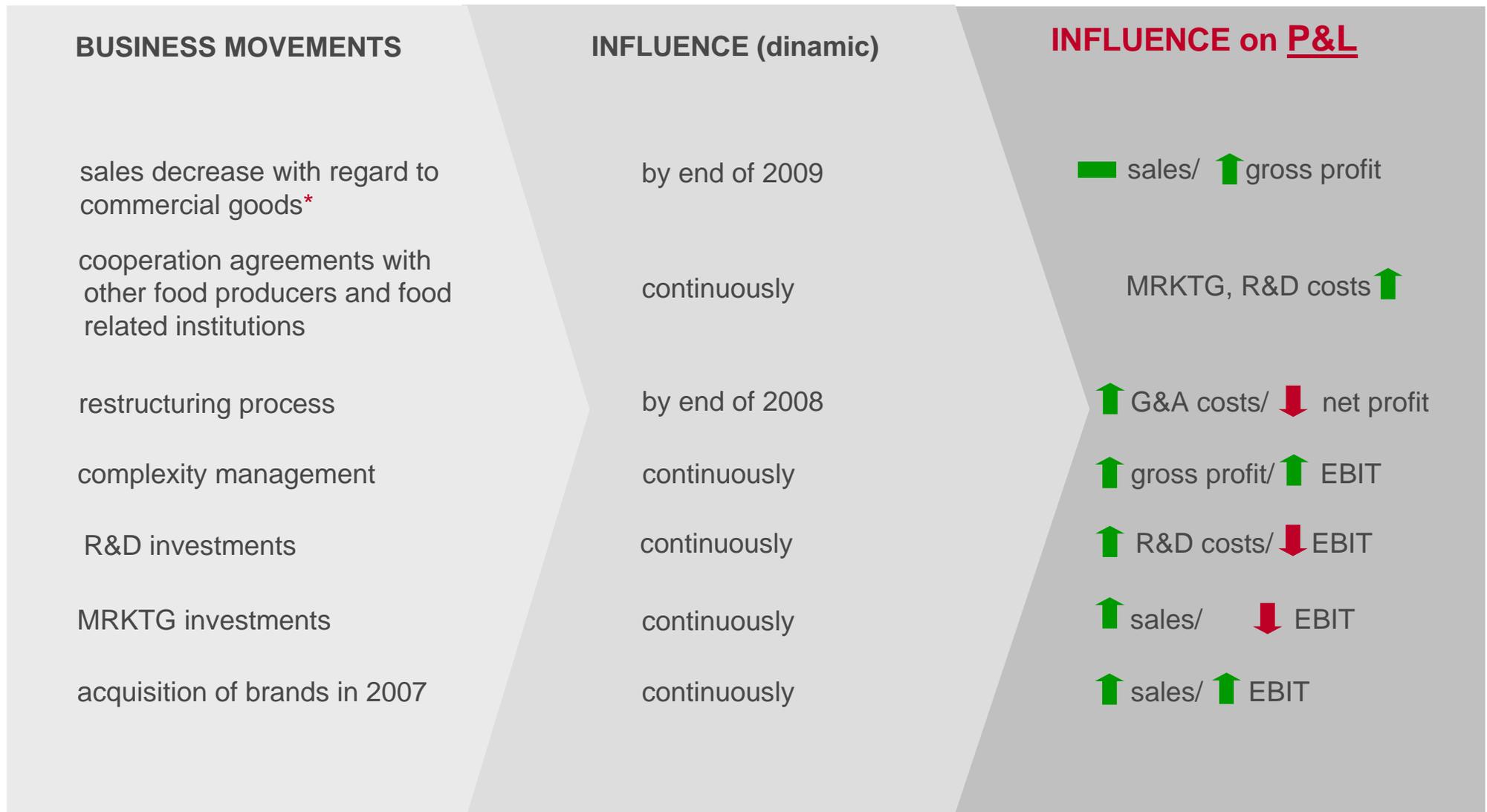


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Outlook 2007

Influence on business results 2007



* third parties' goods

Always with a heart

