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MEDIA RELEASE

PODRAVKA GROUP BUSINESS RESULTS 1 – 9, 2017

In nine months 2017 Podravka Group achieves almost HRK 3 billion net sales

- 66 percent of total revenue achieved on foreign markets
- significant revenue increase on markets of Western Europe and overseas countries and markets of Eastern Europe

Podravka Group revenues in nine months 2017 amounted to HRK 2,983.1 million, 66 percent of which was achieved on foreign markets. Sales revenues from Beverages segment which was discontinued a year before has a significant impact on overall results. Without the stated influence, Podravka Group revenues would have achieved about 1 percent increase comparing to the same period a year before.

When it comes to revenues on foreign markets, particularly worth mentioning is the growth of stated revenues in the region of Western Europe and overseas countries, amounting to 6.5 percent and Eastern Europe region amounting to 7.5 percent.

Podravka Group gross profit in the stated period amounted to HRK 1,059.4 million, while the realized net profit amounted HRK 54.1 million. Significant influence on Podravka Group profitability derives from increased costs of severance payments and realized option shares, and lack of revenues from



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reverse loans achieved in the same period last year. Lower profitability was also influenced by fixed costs of the new Belupo factory, where technology is successively being transferred compliant to regulatory demands.

Revenues in the Food division amounted to HRK 2,372.4 million. Decreased sales revenues in this segment were affected, apart from by the previously mentioned negative influences of the discontinued Beverages program, also by the disturbances on the markets of Adria region, due to extraordinary and significantly changed circumstances related to the most significant buyer. In the Pharmaceuticals segment, HRK 610.7 million revenue was achieved, which is 8 percent increase comparing to the same period last year. The stated increase was mostly influenced by revenue increase from own brands sale amounting to 8.7 percent.

Average daily price of Podravka share in nine months this year was 6.1 percent higher comparing to the same period last year. Simultaneously there was an increase of average daily number of transactions, amounts and daily traffic.