



Koprivnica, 29<sup>th</sup> October 2012

- THE ZAGREB STOCK EXCHANGE
- CROATIAN FINANCIAL SERVICES  
SUPERVISORY AGENCY
- CROATIAN NEWS AGENCY
- COMPANY WEB SITE

**Re: Processes optimization within Podravka Group  
– notice**

As part of the optimization processes within Podravka Group, it was executed a feasibility study on cattle slaughtering at Danica d.o.o., and conclusions thereof were considered by the Supervisory Board of Danica d.o.o. and Management Board of Podravka d.d.

The above mentioned study showed that annual loss for the year 2011 at the cattle slaughtering line is about HRK 14 million, and the same trend was continued during the first six months of this year as well. The total profitability of Danica d.o.o. is thus jeopardized for its remaining production program.

Therefore the suggestion was made by the management of Danica d.o.o. to close the cattle slaughtering line as of 31<sup>st</sup> December 2012.

In the last six months the sales of fresh meat was reduced, and is performed only for Horeca buyers.

**PODRAVKA d.d.**