



Koprivnica, 25th February 2015

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

Re: Merger of the limited liability company - Notice

Pursuant to the Capital Market Law and Zagreb Stock Exchange Rules, we hereby inform that the Management Board of PODRAVKA Inc. passed on today's session the resolution on starting of the merger procedure for its related company DANICA Ltd. - headquartered in Koprivnica, Đelekovačka cesta 21, to PODRAVKA Inc. as continuation of the restructuring process aimed for increase of the business efficiency.

PODRAVKA Inc. and Danica Ltd. shall enter into the Merger Agreement becoming valid upon the approval of the General Assembly of Danica Ltd. Since PODRAVKA Inc. is holding 100% of the share in Danica Ltd., this merger is not subject to the approval of the General Assembly of PODRAVKA Inc., except if the shareholders of PODRAVKA Inc. holding together at least one twentieth shares in the Company's share capital request the convocation of the Company's General Assembly.

By this merger PODRAVKA Inc. intends to improve development of the processed meat products portfolio and generate additional resources for strengthening of competitive position for this product segment.

PODRAVKA Inc.