

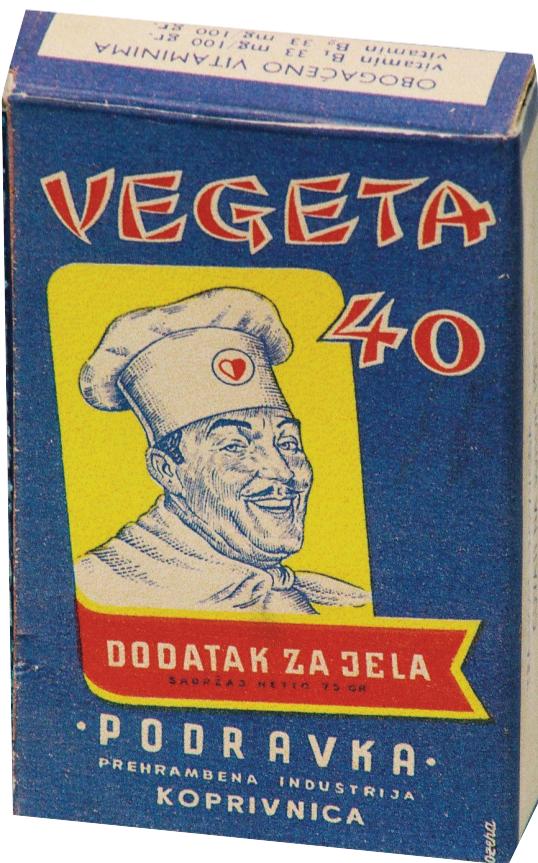


Market

Vegeta is present on the Croatian food additive market, which is an important element in everyday nutrition, mainly because of their flavour, smell, and colour that enrich meals, but also because of their practical use. The food additive market is divided into three categories (the universal category, which is the market's dominant sub segment, the special additives and mono-spices which jointly form a smaller segment). Podravka's most significant brand is Vegeta and it is in the universal category, while Vegeta Twist is in the special additives category. Vegeta is the absolute leader in the universal additives market, with a dominant market position, a high index and quality of distribution.

Achievements

Vegeta is the most significant and most famous product of Podravka with a long-standing presence on the Croatian market, and it is also sold in more than 30 countries worldwide. Vegeta grew from a small local product to a successful brand due to a positive mix of product functional characteristics and because of consumer emotional experiences. In most of Podravka's strategic markets, Vegeta is a synonym for a whole category of universal additives, because Podravka actually created it as a new category in 1959 with its product. For many years, Podravka controlled and developed the category itself through Vegeta, and in doing so it defined standards of marketing communication and market appearance in general.



The success of Vegeta is shown in the results of independent research agencies, such as the Prizma agency, whose 2005 research results declared Vegeta the leading brand in the region. The Young & Rubicam agency declared its results for market research in Poland according to which Vegeta was labelled several years ago as one of the brands with the biggest market growth potential.

Vegeta, as a market leader, is in a position to dictate the tempo of changes in the category. At the end of 2005, when Vegeta Mediterranean was simultaneously launched in six markets, a new innovation cycle was started in Podravka, with the strategic goal of category change using new culinary solutions and the broadening of Vegeta's use.

History

A unique and universal food additive, Vegeta, was created in the Podravka research laboratory of Professor Zlata Bartl and the product was launched in 1959. In 1967, Vegeta was first placed on markets abroad - in Hungary and Russia. The great success of Vegeta is the foundation of the company's growth especially because of constant investments in new technologies, product lines, and product research and development. By the late 1990's, a strong innovation and investment cycle was started by Podravka. It included the opening of several new factories: in the year 2000, the automatic Vegeta factory in Koprivnica and in 2001, a Vegeta,



soup, and powdered products factory in Poland. In 2001, Vegeta received the ISO 1990:2000 quality certificate. The significance of Vegeta and its inventor for Podravka can be seen by the establishment in 2004 of the "Professor Zlata Bartl" foundation, which promotes creative and innovative work of undergraduate and graduate students, and also keeps alive the memories of Professor Zlata Bartl's work. Vegeta won many international awards, the Superbrand status in 2004 in Poland, in 2005 in Hungary and Russia and in 2006 in Slovakia for the Podravka brand under which it is sold as one of the strongest brands in those strategic markets. It is without doubt the number one universal food additive in Europe.

Product

Vegeta is a unique combination of vegetables and spices from Professor Zlata Bartl's secret recipe. It was launched in 1959 on the former Yugoslavia market under the name Vegeta 40 and it thrilled consumers with the unique and complete flavor that it gives to savoury dishes. Vegeta does not dominate the flavour of a meal, instead it enriches it and accentuates its individual ingredients. The characteristic blue colored packaging and the face of a chef symbolizes quality are very important elements that make Vegeta recognizable. Vegeta Twist products are special food additives, intended for specific savoury dishes, because their unique combinations of spices bring out the taste of the main ingredients in a specific





meal. Under the Vegeta brand, Vegeta Mediterranean is also currently on the market as a universal food additive, designed for those who wish to add a Mediterranean touch to their nutrition. In 2006, Vegeta pikant was introduced as a moderately hot spicy universal food additive.

Recent Developments

Continuous innovations of the Vegeta brand in strategic markets are not solely limited to new products, packaging innovations or design, but

they also include new marketing slogans, innovative concepts of tactical marketing activities, new shelf management, etc.

Podravka continuously invests in the research

and development of Vegeta products and their packaging. Over the years, it has offered many new and innovative packages to its consumers, with special regard to design, which is made up of recognizable elements: blue colour, vegetables, and the face of a chef. In the spring of 2005, a new modernized

design was introduced. Innovations in new product development resulted in two new products being introduced in a short time frame - in 2005, Vegeta Mediterranean, a universal food additive based on vegetables and various Mediterranean herbs which enrich meals in Mediterranean cuisine, and in 2006, Vegeta pikant, a universal food additive with a combination of vegetables and spices which add a hot spicy flavour.

Promotion

Winning over the hearts of consumers was not easy. Partly it is a result of the product's quality and value, but also a result of its long term marketing presence. Vegeta is present in the media and it has communicated with consumers since 1974 when a culinary TV show "Small secrets of great chefs" was first aired. The show included famous chefs who used Vegeta in the meals that were prepared and who also introduced many new culinary recipes to the public. That year also marks the

beginning of the Vegeta marketing communication, which was used to educate consumers how a single spoonful of Vegeta can help in the preparation of a delicious meal. Throughout all these years, Vegeta has been present in all forms of the media - television, newspapers, radio, and various events. Podravka pays a lot of attention to educating consumers about their products and their use, so Vegeta's recipe booklets are always in high demand. They can be won in promotional campaigns, and some can even be found on the newsstands. The basic principle of promotional campaigns is to reward loyal customers with various prizes, but also to educate about innovations, new products, and new ways to use these products.

Brand Values

Podravka is a company with a heart, whose mission is to create high quality products that win the trust of clients and consumers. As a result, consumers have quickly recognized the additional values of Vegeta and identified themselves with the brand. Vegeta became a part of their culinary tradition and an integral part of their personal values such as family, friends, get-togethers, and the warmth of home. In the middle European markets, consumers have identified themselves so much with Vegeta that it is perceived as a domestic and not a foreign brand. The strength of the Vegeta brand is shown by the fact that Vegeta is a synonym for a whole category of universal additives on strategic markets and that it rises above brands without charisma. Apart from being a recognizable brand and symbol of quality, Vegeta is also one of the brands that are often imitated.

www.podravka.hr

Okus strasti!

THINGS YOU DIDN'T KNOW ABOUT...

Vegeta

- Vegeta is sold on all five continents.
- It was originally introduced under the name Vegeta 40, but it was later renamed to Vegeta.
- Vegeta can also be purchased on the largest internet marketplace Amazon.com.



PODRAVKA
www.podravka.com