



ATLANTIC GRUPA d.d.

Miramarska 23

10 000 Zagreb

**SECURITIES: ATGR-R-A / ISIN:HRATGRRRA0003
ATGR-O-169A / ISIN:HRATGRO169A0**

QUOTED AT: the Zagreb Stock Exchange

Zagreb, 30 October 2014

Atlantic Grupa: Beginning of construction of a new factory and expansion of the distribution portfolio marked the first nine months of 2014

In the first nine months of 2014, Atlantic Grupa recorded sales of HRK 3.8 billion, which is a 2.7% growth compared to the same period last year. Earnings before interest and taxes (EBIT) increased by 0.7%, reaching a figure of HRK 378.5 million in comparison with nine months of 2013, while the net profit after minority interests amounted to HRK 209.2 million, indicating a growth of 8.2%.

"In the first nine months of 2014, Atlantic Grupa recorded business growth with further deleveraging and generating stable cash flows from operating activities. Although it operates in extremely difficult macro and micro economic environment, the company has extended the distribution portfolio, brought innovation to the production portfolio, engaged in the construction of the new energy bars production plant (in line with the set timeframe), at the same time focusing on systematic risk management. In the rest of the year, we expect to continue with the cost optimisation and to achieve the set profitability objectives. ", said Zoran Stankovic, Group Vice President for Finance and Information Technology.

The first nine months of 2014 was predominantly marked by the successful start of distribution of Unilever brands (Knorr, Hellman's, Axe, Rexona, Brut, Signal, Coccolino, Domestos, Cif and many others) on Croatian and Slovenian markets, as well as by building a new factory for Multipower energy bars in the range of sports and functional foods in the industrial park Nova Gradiška. In accordance with the contractual time schedule, the construction of the new plant of 6,000 square meters, equipped with the full infrastructure, installations and landscaping, is finalised. At the end of September, the European Bank for Reconstruction and Development (EBRD) and Atlantic Grupa signed the agreement on a credit line in the amount of EUR 10 million for



investment in the construction and equipment of this factory. The remaining amount of EUR 6 million to the total value of the investment of EUR 16 million is financed from the company's own funds.

The growth of Atlantic Grupa's sales in the first nine months of 2014 was mainly propelled by the Strategic Business Unit Savoury Spreads with a growth of 3.3%, the Strategic Business Unit Sport and functional food with a growth of 1.2%, the Strategic Distribution Unit International Markets with a growth of 4.2%, and the start of distribution of Unilever external brands in the strategic distribution unit Croatia and distribution unit Slovenia. Coffee with 19.4% share in total sales stands out as the largest single category, having recorded sales revenue in the amount of HRK 734.8 million.

Considered by individual markets, the greatest growth was recorded in Slovenia (growth of 19.8%), which accounts for a total of 15.2% of the total sales. The Croatian market accounted for the highest portion in the total sales standing at 25.7%, and a growth of 6.4%. The markets of Russia and other CIS countries posted growth of 6.2%, thus accounting for 5.9% of the total sales of Atlantic Grupa.

Atlantic Grupa's own brands accounted for 67.8% of total sales, distribution of principal brands 18.0%, pharmacy chain Farmacia 6.1%, while products that Atlantic Grupa produces as private labels for big business systems in Croatia and abroad accounted for 8.0% of total sales.

Atlantic Grupa d.d.