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

In the first half of 2014, Atlantic Grupa recorded sales of HRK 2.5 billion, which is a 2.1% growth compared to the same period last year. Earnings before interest and taxes (EBIT) increased by 5.4%, reaching a figure of HRK 230.9 million in comparison with the first half of 2013, while the net profit after minority interests amounted to HRK 131.4 million, indicating a growth of 14.8%.

"Despite a very challenging business environment, which consists of unfavourable macroeconomic developments in the region and beyond, as well as unfavourable market developments in most product categories, Atlantic Grupa ensured revenue growth and profitability in the first half of 2014. A particular emphasis was placed on expanding the production and distribution portfolios, capital investments in new energy bar manufacturing plant and systemic risk management. For the rest of the year, we will continue to place emphasis on further development of business, risk management, maintaining liquidity and managing financial obligations", said Zoran Stanković, Atlantic Grupa Vice President for Finance.

The first half 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, which began in April 2014. The construction work is progressing according to the plan, and the installation of roof and wall panels is currently taking place, as well as setting up the infrastructure for the new production facility. The first products from the new production lines are expected on the market in the first quarter of 2015. This project has a total value of HRK 120 million, and



it will create 50 new jobs in the first year of production. With the planned growth of the business activities, the project will ultimately result in 160 new jobs.

The growth of Atlantic Grupa's sales in the first half of 2014 was mainly propelled by the strategic business units Savoury Spreads with a growth of 5.8%, the strategic distribution unit International Markets with a growth of 3.4%, 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 476.7 million.

Considered by individual markets, the greatest growth was recorded in Slovenia (growth of 21.5%), which accounts for a total of 15.3% of the total sales. The Croatian market accounted for the highest portion in the total sales standing at 25.3%, and a growth of 8.2%. The markets of Russia and other CIS countries posted growth of 2.0%, thus accounting for 5.6% of the total sales of Atlantic Grupa.

Atlantic Grupa's own brands accounted for 68.2% of total sales, distribution of principal brands 17.6%, pharmacy chain Farmacia 6.3%, while products that Atlantic Grupa produces as private labels for big business systems in Croatia and abroad accounted for 7.8% of total sales.

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