



STEADY INCOME AND PROFIT GROWTH OF ATLANTIC GRUPA

In the first half-year 2010 Atlantic Grupa achieved total income from sales in the amount of HRK 1.073 bn and the net income in the amount of HRK 77.8 m. The mentioned income is 1.4 percent higher than the value from the same period last year. Without one-time influences, net income increased by 8.2 percent to HRK 41.4 m, while the operating income before amortisation is 2.6 percent higher than the previous year when it amounted to HRK 89.5 m. The positive influence of one-time items refers mainly to the profit realised by the sale of the old production plant Neva.

The continuation of the profitability growth of Atlantic Grupa has been ensured by the Sports and Functional Food Division which registered profitability growth by reaping fruits of the restructuring process from previous years as well as from the growth of revenues from sale of Multipower brands as well as by the division Pharma which realised the strongest growth in the operating income of even 70.2 percent.

„Considering the continuation of very unfavourable macroeconomic trends in Croatia as our biggest market we can be satisfied with achieved results as well as with the income and profitability growth. Despite the difficult economic situation, we expect to continue our business growth until the year end and thus achieve the business results that we announced at the beginning of the year. Recently effected acquisition of Droga Kolinska will ensure further business stability. The transaction should be completed until the year end and it opens a big possibility for new synergies, savings and rationalisation in all business areas. Thanks to this greatest acquisition so far, Atlantic Grupa is becoming one of the leading food companies in the region with the respectable number of own brands, 4,300 employees and income of 4.5 bn kunas” said Zoran Stanković, Vice President Finance.

55 percent of total sales of the company are effected on the Croatian market, while 45 percent of sales are realised on international markets. Germany remains the biggest international market, while the biggest growth in sales of 20 percent - beside the Slovenian market which grew 2.7 times – was recorded in Italy. Own brands are represented in sales with 43 percent, distribution of branded products was represented with 38 percent, Atlantic Pharma Division with 11 percent while products that Atlantic Grupa manufactures as private brands for big business systems in Croatia and abroad make out 8 percent of the sales. After the acquisition process has been completed, the Croatian market will participate in the total result of Atlantic Grupa with approx. 30 percent and international markets with approx. 70 percent, whereas Serbia will be the second, and Slovenia the third important market in the consolidated income of the two companies.