



ATLANTIC GRUPA d.d.
Miramarska 23
10 000 Zagreb

SECURITY: ATGR-R-A / ISIN:HRATGRRRA0003
ATGR-O-169A / ISIN:HRATGRO169A0
QUOTATION: Zagreb Stock Exchange

Zagreb, 15 July 2014

Atlantic Grupa expands its operations with a new brand of potato chips

Atlantic Grupa and Kanaan company for production and trade of food products from Donji Miholjac signed a strategic cooperation agreement in the segment of salty snacks production, and started a process of due diligence with the possibility of takeover.

Within Strategic Business Unit "Snacks" Atlantic Grupa is expanding its assortment of salty snacks with a range of potato chips products under a new brand Chipsos. With the latest move Atlantic Grupa is establishing itself as a significant player in the potato chips market of Southeast Europe. The production of potato chips is contracted with the company Kanaan based in Donji Miholjac, Croatia's most significant contract manufacturer in this category that meets high standards of production as well as quality of raw materials and final products.

In parallel with the strategic cooperation in the segment of potato chips production for the new brand Chipsos, Atlantic Grupa and Kanaan started a process of due diligence. In the process the two companies are considering possibilities of an ownership integration, namely Atlantic Grupa's assuming the majority stake in Kanaan.

Atlantic Grupa is with its company Soko Štark the leading regional manufacturer of flips with a range of other salty snacks. The strongest brand in this segment – Smoki – is the bestselling regional brand of flips and also a synonym for the category. Atlantic also produces and distributes salty stick "Prima" and flips "Flipster", and with a new brand Chipsos the company will gain a strong foothold in the category of potato chips.

The primary activity of Kanaan company is the production and trade of potato chips (61 percent), extruded snack foods (37 percent) and popcorn (2 percent). Company is the first domestic and to this day a leading private label manufacturer in Croatia in the category of salty snacks with integrated ISO and HACCP quality management systems, as well as IFS certificate for food production.

Atlantic Grupa d.d.