



ATLANTIC GRUPA d.d.

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Atlantic Grupa: The beginning of 2014 in line with expectations

In Q1 2014 Atlantic Grupa recorded sales of HRK 1,124.3 million which is a 4.1% growth compared to the Q1 2013. Earnings before interest and taxes (EBIT) were HRK 85.7 million and grew 13.4% compared to the same period in 2013, while net profit after minorities was HRK 32.0 million which represents an increase of 5.2%.

„Atlantic Grupa entered the year with business growth maintaining previously announced expectations, despite the absence of economic recovery in the region and beyond in Q1 2014. Meanwhile, the strengthening of the distribution portfolio in the region, the growth of sales outside the region in line with the company's international focus and the improvement in profit margins on all levels stand out in this period. In the following period the company will continue to be focused on business development, risk management, liquidity maintenance and management of its financial liabilities”, Emil Tedeschi, CEO of Atlantic Grupa, pointed out.

Beginning of the year for Atlantic Grupa's business was marked by the beginning of distribution of Unilever on Croatian and Slovenian markets, whereby Atlantic Grupa confirmed its status of the leading distributor in the region, offering the highest level of the distribution service with the high realisation of distribution parameters. Unilever is one of the leading global producers of consumer goods. Unilever's portfolio includes globally famous brands Knorr, Hellman's, Axe, Rexona, Brut, Signal, Coccolino, Domestos, Cif and many others. The agreement, considering the total annual value of the portfolio sales, has the value of the total of HRK 240 million, of which 51% of sales relate to the market of Croatia, and 49% to the market of Slovenia.



The growth of Atlantic Grupa's sales in Q1 2014 was mainly impacted by the growth of sales in the Strategic Business Units Sports and Functional Food (growth of 5.9%) and Pharma and Personal Care (7.1%) as well as the distribution of Unilever in the Strategic Distribution Unit Croatia and Distribution Unit Slovenia. Coffee with 18.8% of share in total sales stands out as the largest single category with HRK 211.8 million of sales.

Sales profile by markets reveals that the largest growth was achieved in the Slovenian market (23.0%) which represents 15.1% of total sales. The Croatian market is the largest market in terms of sales with 23.8% of share and with the growth of 9.7%. Markets of Russia and CIS countries recorded growth of 25.2% making 6.1% of total Grupa's sales. Key European markets (Germany, UK, Italy, Switzerland, Austria, Sweden, Spain) that make 13.9% of share in total sales, achieved growth of 1.2%.

Atlantic Grupa's own brands accounted for 66.8% of total sales, distribution of principal brands 17.2%, the pharmacy chain Farmacia 6.9%, while products that Atlantic Grupa produces as private labels for big business systems in Croatia and abroad accounted for 9.2% of total sales.

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