



# Financial results in 2017

(unaudited)

Results in line with expectations coupled with strong profitability growth

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Zagreb, 28th February 2018

KEY DEVELOPMENTS IN 2017

PERFORMANCE ON CAPITAL MARKET IN 2017

FINANCIAL RESULTS IN 2017

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Results in line with expectations coupled with strong profitability growth

Development of own brands and openings of new specialised stores

Limitations in cooperation with key customer

Atlantic Grupa and Belgian Aminolabs entered into a strategic partnership

New distribution contracts and the start of Argeta production in the United States of America

Reorganisation of Atlantic Grupa's distribution activities

Significant decrease of indebtedness and cash flow growth

Risk management and consolidation of IT solutions

# ACHIEVEMENTS OF ATLANTIC GRUPA'S OWN BRANDS (I)

Almost a 40% growth in Croatia



Double-digit growth in Croatia



Double-digit sales growth in Croatia, Serbia, Montenegro, Macedonia, almost a 20% growth in Switzerland



7% growth in Croatia

farmacia+

Over 20 million B&E sachets sold



30% higher sale of Multivita in Russia



Double-digit growth in Russia, Croatia and Serbia



Cedevita HoReCa recorded a near 20% and nearly double-digit growth of Cedevita Fresh



Double-digit revenue increase

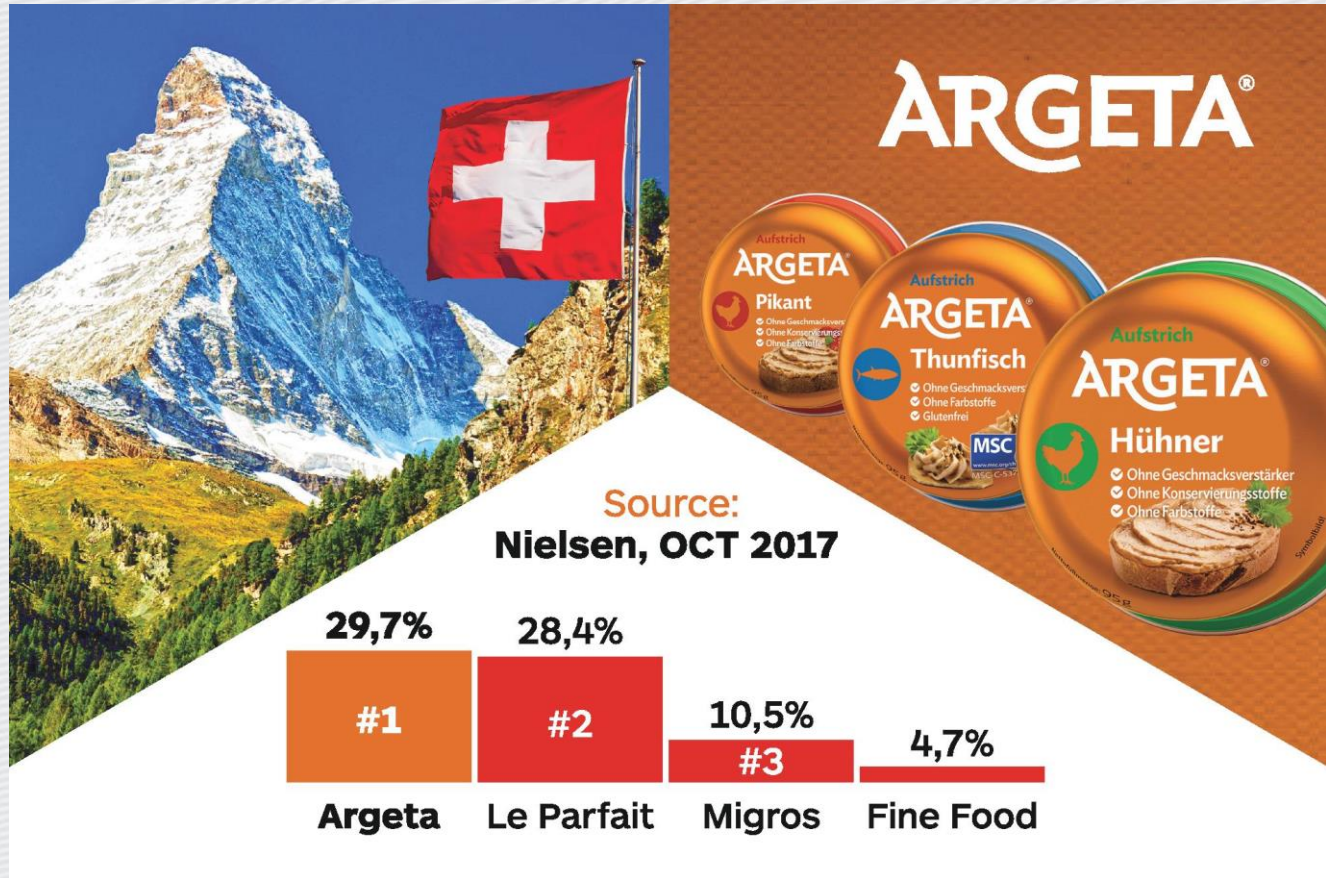
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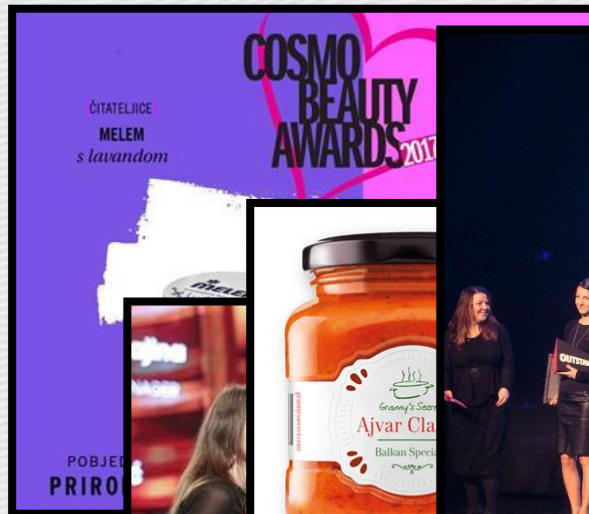
Double-digit revenue increase of Barcaffe espresso



# ACHIEVEMENTS OF ATLANTIC GRUPA'S OWN BRANDS (II)



# ACHIEVEMENTS OF ATLANTIC GRUPA'S OWN BRANDS (III)



## DISTRIBUTION

- ❖ New distribution contracts
- ❖ Reorganisation of distribution activities
- ❖ Double-digit sales growth of the SDR HoReCa



## SBU BEVERAGES

- ❖ Donat Mg HoReCa edition
- ❖ Innovation Chia Fresca by Cedevida
- ❖ Cockta Black Tonic redesign



## SBU COFFEE

- ❖ Record market share in Croatia (17.4%), stable market shares in Slovenia (71.2%) and Serbia (54.2%)
- ❖ Launched Barcaffé D.O.T. capsules
- ❖ Grand Aroma redesign





## SBU SAVOURY SPREADS

- ❖ Vegetable spreads launched
- ❖ Production started in the USA
- ❖ New flavours of Argeta
- ❖ Leading Savoury Spread in Switzerland and Austria



## SBU SNACKS

- ❖ 95 years of chocolate production and 45 years of Smoki brand
- ❖ Numerous new and promotional products
- ❖ Chipsos redesign



## SBU PHARMA AND PERSONAL CARE

- ❖ Launched a new line of Melem essential oils and Melem shower gels
- ❖ Rosal new Personal Care line
- ❖ 4 new specialised stores opened



**ATLANTIC**  
GRUPA



## BU BABY

- ❖ Launched a new segment – cereals for moms



## BU GOURMET

- ❖ New line of products: Fruit&Honey
- ❖ New, simplified package design



## SBU SPORTS AND FUNCTIONAL FOOD

- ❖ Launched 100% Whey (protein powder)
- ❖ New protein bars: Protein Layer



- ❖ Factories in Bleckede and Nova Gradiška sold, as well as the associated private label production for third parties (revenues in 2017 in the amount of HRK 194,3 million)
- ❖ Transaction realised on 31st October 2017
- ❖ Strategic brands will remain in full ownership of Atlantic Grupa



**Cash received and receivables from sale of subsidiaries  
(in thousands of HRK)**

Cash	150.0
Receivables	59.6
<b>Total sales consideration</b>	<b>209.6</b>

<b>Gain from sale of subsidiaries</b>	<b>64.8</b>
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KEY DEVELOPMENTS IN 2017

PERFORMANCE ON CAPITAL MARKET IN 2017

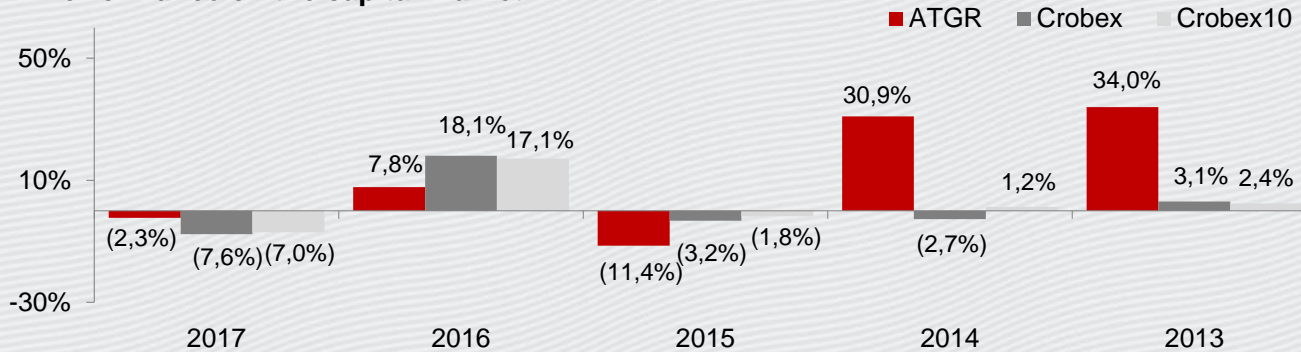
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# PREFORMANCE ON CROATIAN CAPITAL MARKET

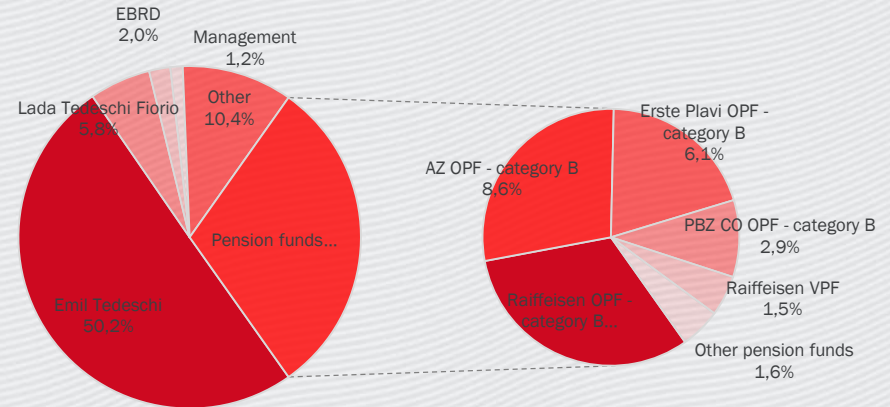
## Performance on the capital market



- ❖ Share price fall of 2,3%
- ❖ Stable shareholder structure
- ❖ Free float of 44.0%

Valuation	31 <sup>st</sup> December 2017	31 <sup>st</sup> December 2016
Last price in reporting period	862.0	882.0
Market capitalization* (in HRK millions)	2,874.2	2,940.9
Average daily turnover (in HRK thousands)	356.2	717.9
EV (in HRK millions)	4,063.2	4,446.1
EV/EBITDA	7.9	9.4
EV/EBIT	11.9	14.4
EV/sales	0.8	0.9
EPS (in HRK)	63.2	48.8
P/E	13.6	18.1

## Ownership structure as of 31 December 2017



\*Closing price multiplied by the total number of shares

KEY DEVELOPMENTS IN 2017

PERFORMANCE ON CAPITAL MARKET IN 2017

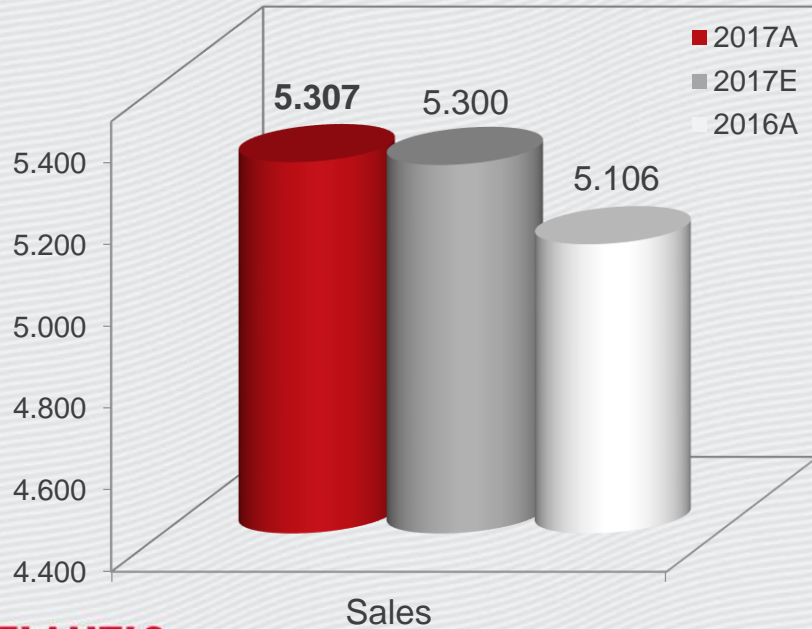
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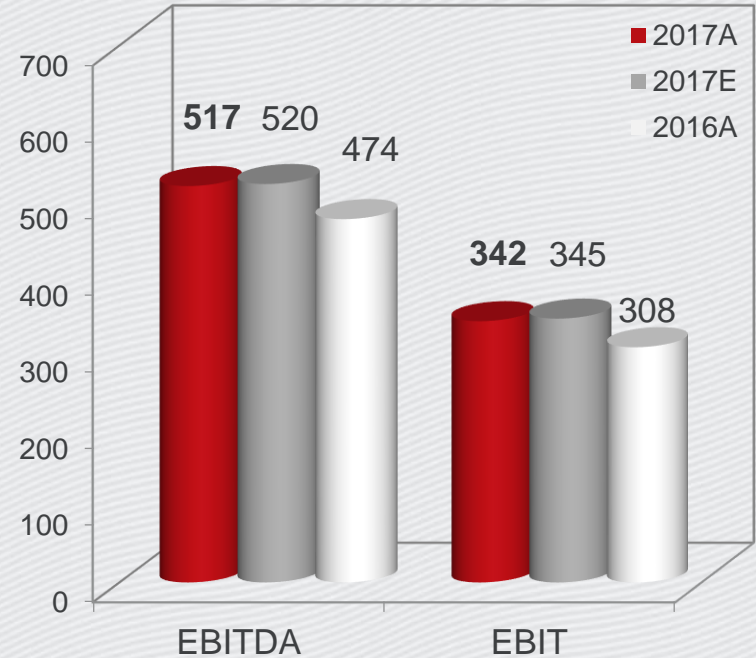
# RESULTS IN LINE WITH EXPECTATIONS

2017A/2017E: 100.1  
2017A/2016A: 103.9



2017A/2017E: 99.5  
2017A/2016A: 109.1

2017A/2017E: 99.0  
2017A/2016A: 111.0



# SALES BY STRATEGIC BUSINESS UNITS AND STRATEGIC DISTRIBUTION UNITS

(HRK million)	FY 2017	FY 2016	FY 2017/ FY 2016
<b>SBU Coffee</b>	<b>1,098.4</b>	1,064.7	3.2%
<b>SBU (Sweet and Salted) Snacks</b>	<b>678.4</b>	651.3	4.2%
<b>SBU Beverages</b>	<b>677.0</b>	630.8	7.3%
<b>SBU Pharma and Personal Care</b>	<b>583.6</b>	545.2	7.0%
<b>SBU Savoury Spreads</b>	<b>581.0</b>	543.0	7.0%
<b>SBU Sports and Functional Food</b>	<b>384.6</b>	449.3	(14.4%)
<i>*From which private label production</i>	<i>194.3</i>	<i>177.2</i>	<i>9.7%</i>
<b>SDU Serbia</b>	<b>1,134.6</b>	1,101.1	3.0%
<b>SDU Croatia</b>	<b>1,035.9</b>	968.8	6.9%
<b>DU Slovenia</b>	<b>767.8</b>	754.4	1.8%
<b>SDR Zone West</b>	<b>419.4</b>	503.1	(16.6%)
<b>Other segments*</b>	<b>862.8</b>	763.0	13.1%
<b>Reconciliation**</b>	<b>(2,916.7)</b>	(2,868.5)	n/a
<b>Sales</b>	<b>5,306.8</b>	<b>5,106.3</b>	<b>3.9%</b>

- ❖ SBU Coffee: records a considerable increase in sales, due to good sales results in all the key markets and all key categories coupled with high value market share
- ❖ SBU Snacks: great sales results in the markets of Serbia, Bosnia and Herzegovina and Montenegro, and a double-digit growth in the market of Croatia.
- ❖ SBU Beverages: a significant increase in sales in almost all categories, due to excellent sales results in Croatia, Slovenia, Russia and Bosnia and Herzegovina.
- ❖ SBU Pharma and Personal Care: an excellent increase in sales primarily due to the increase in sales of the pharmacy chain Farmacia and the increase in sales of Multivita (Vitamin C in Russia), Neva i Dietpharm products.
- ❖ SBU Savoury Spreads: a significant sales growth due to double-digit revenue growth in the majority of markets.
- ❖ SBU Sports and Functional Food: an observable decrease in sales as a consequence of the portfolio restructuring.
- ❖ Strategic Distribution Regions and Distribution units: excellent sales results of own brands and principal brands, coupled with record-high sales in Croatia, Slovenia and Macedonia.
- ❖ SDR Zone West: a decrease in sales mainly in the German market in the SBU Sports and Functional Food.

Comparative period has been adjusted to reflect current period reporting.

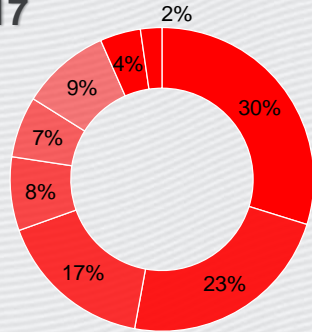
\* Other segments include SDR HoReCa, SDU CIS&Baltic, BU Baby Food, BU Gourmet, DU Macedonia and business activities not allocated to business and distribution units (headquarters and support functions in Serbia, Slovenia and Macedonia) which are excluded from the reportable operating segments.

\*\* Line item "Reconciliation" relates to the sale of own brands which is included in the appropriate SBU and BU and in SDUs, SDRs and DUs through which the products were distributed.



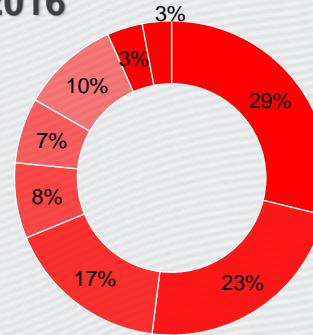
# SALES BY MARKETS AND SEGMENTS

2017



- Croatia 29.8%
- Serbia 23.1%
- Slovenia 16.7%
- Bosnia and Herzegovina 7.8%
- Other regional markets\* 6.5%
- Key European markets\*\* 9.5%
- Russia and CIS 4.3%
- Other markets 2.3%

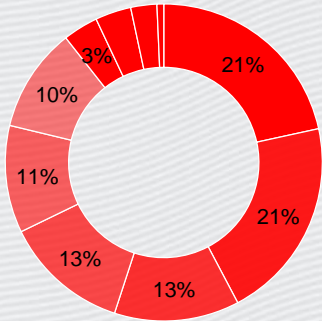
2016



- Croatia 28.8%
- Serbia 23.2%
- Slovenia 16.8%
- Bosnia and Herzegovina 7.8%
- Other regional markets\* 6.7%
- Key European markets\*\* 10.1%
- Russia and CIS 3.6%
- Other markets 3.0%

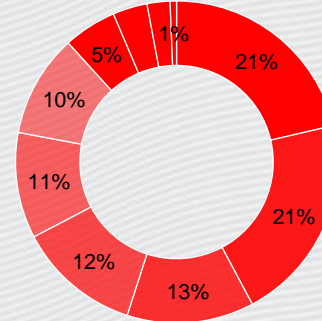
\* Macedonia, Montenegro, Kosovo \*\* Germany, United Kingdom, Italy, Switzerland, Austria, Sweden, Spain

4% 3% 1%



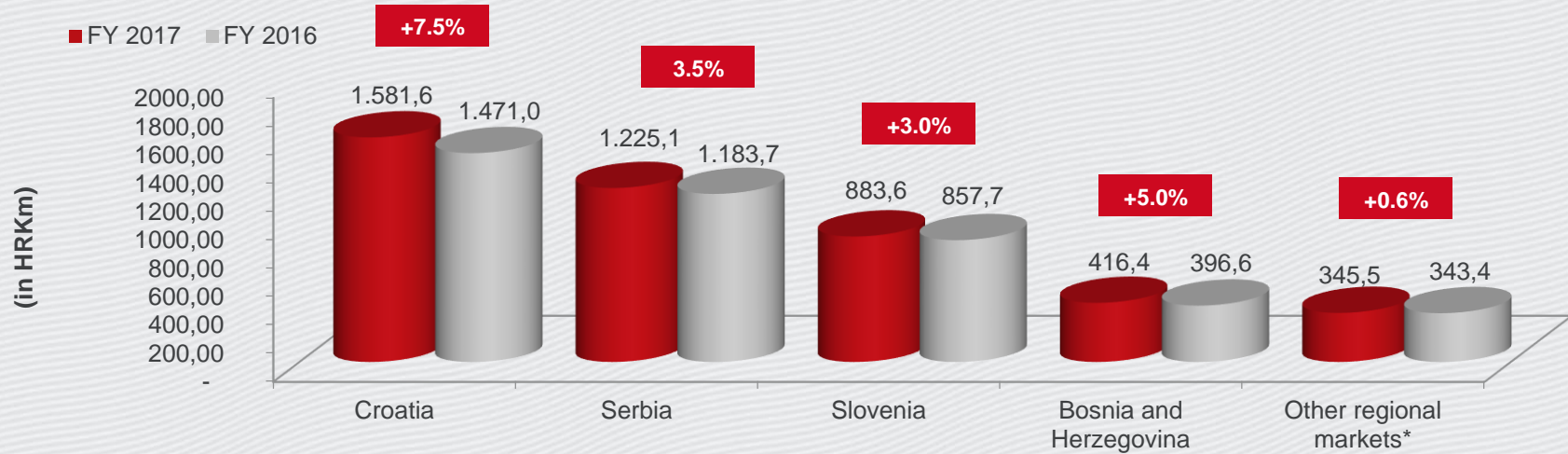
- Principal brands 21.6%
- Coffee 20.7%
- Beverages 12.8%
- Sweet and salted snacks 12.8%
- Savoury spreads 11.0%
- Pharma & Personal care 10.6%
- Sports and Functional Food - own brands 3.6%
- Sports and Function Food - private label production 3.5%
- Baby food 2.7%
- Gourmet 0.7%

4% 2%



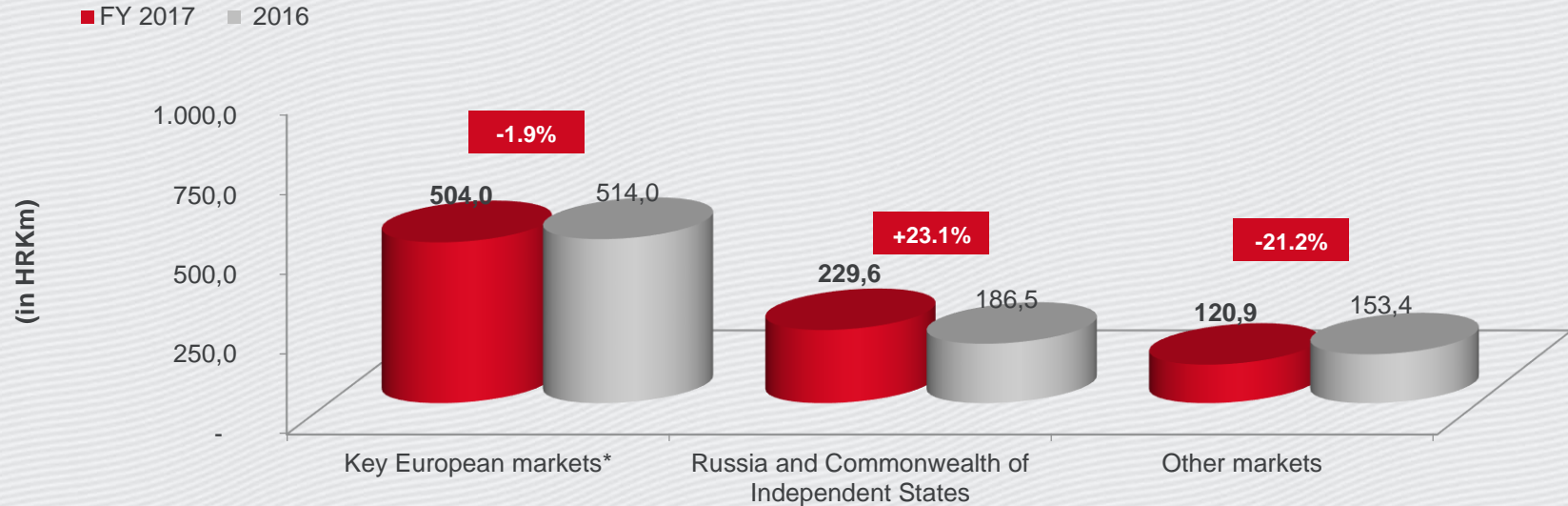
- Principal brands 21.4%
- Coffee 20.8%
- Sweet and salted snacks 12.8%
- Beverages 12.4%
- Savoury spreads 10.6%
- Pharma & Personal care 10.3%
- Sports and Functional Food - own brands 5.3%
- Sports and Function Food - private label production 3.5%
- Baby food 2.3%
- Gourmet 0.6%

## SALES PROFILE BY MARKETS (I)



- ❖ Croatia: sales growth: i) the pharmacy chain Farmacia, (ii) own brands - Cedevita Kala, Kalnička, Argeta and Barcaffè and (iii) most external principals.
- ❖ Serbia: sales growth due to (i) increase in sales of own brands (Smoki, Bananica, Prima salty sticks and chocolates, biscuits and wafers), (ii) coffee Bonito, Barcaffè, and Black'n'Easy, (iii) savoury spreads Argeta, and (iv) products from the gourmet segment Granny's Secret and Amfissa.
- ❖ Slovenia: sales growth of Barcaffè, Argeta, Donat Mg and Cedevita.
- ❖ Bosnia and Herzegovina: increase in sales of Grand Kafa, Black'n'Easy, Barcaffè, Cedevita, Donat Mg, Argeta, Najlepše želje, Menaž brands, and wafers and biscuits..
- ❖ Other regional markets (\*Macedonia, Montenegro, Kosovo): an increase in sales in the markets of Macedonia and Montenegro, while a decrease in sales was recorded in the market of Kosovo.

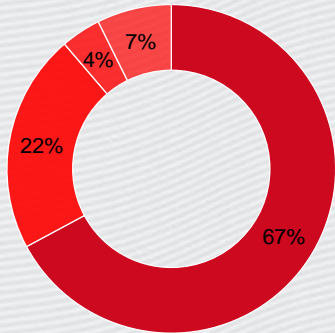
## SALES PROFILE BY MARKETS (II)



- ❖ Key European markets\* (Germany, United Kingdom, Italy, Switzerland, Austria, Sweden, Spain): a decrease in sales in most markets in the sport and function food segment. If we exclude the decrease in this segment, other markets record a 7.6% growth.
- ❖ Russia and CIS: a significant sales growth as a result of the recovery of the economic situation in Russia and surrounding countries and appreciation of the Russian ruble. The most prominent growth was recorded by baby cereals Bebi, functional drink Donat Mg and Multivita's Vitamin C.
- ❖ Other markets: a significant decrease in sales due to the drop in sales in the sports and functional food segment. If we exclude the decrease in this segment, other markets record a 21.2% growth.

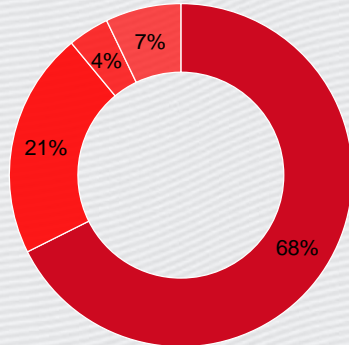
# SALES PROFILE BY CATEGORIES

2017



- Own brands 67.2%
- Principal brands 21.6%
- Private label 3.9%
- Farmacia 7.3%

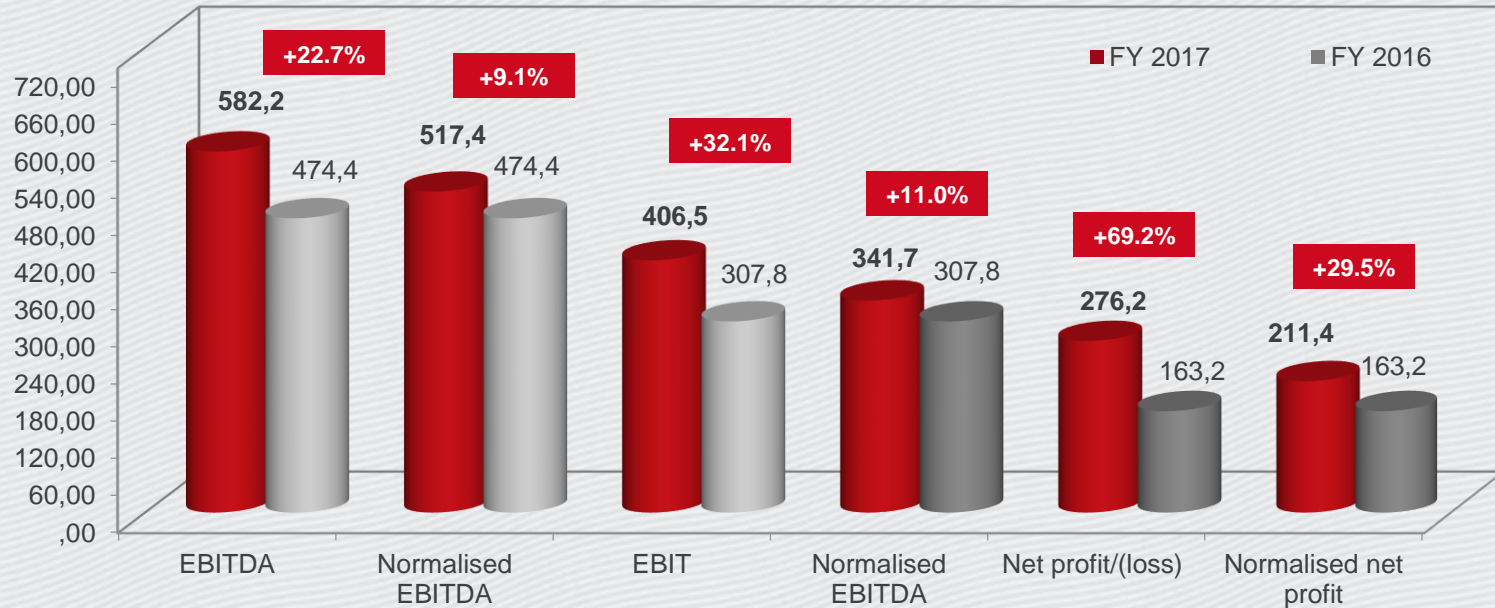
2016



- Own brands 67.6%
- Principal brands 21.4%
- Private label 3.9%
- Farmacia 7.1%

- Own brands:
  - ❖ 3.2% higher sales and the greatest contribution was made by: (i) sales of Argeta, (ii) Bonito and Barcaffè, (iii) sales of Donat Mg, Cedevita, Kala and Kalnička, and (iv) sales of Smoki, Prima, Štark Keksići, Najlepše želje, Menaž, Bananica brands and wafers and waffles in the snacks segment.
  - ❖ The decrease in sales was recorded by Multipower, Multaben and Champ
- Principal brands:
  - ❖ An increase in sales of 5.0% based on the increase in sales of principals.
- Private label:
  - ❖ 5.3% growth, mainly due to new customers in the sports and functional food segment, and despite the sale of service production in the sports and functional food segment realised at the end of October 2017.
- Farmacia:
  - ❖ 7.0% growth due to the increase in sales of the existing Farmacia locations and newly-opened specialised stores (four new locations were opened and now Farmacia consists of 85 pharmacies and specialised stores).

# PROFITABILITY DYNAMICS IN 2017



## ❖ 69.2% higher net gain:

- ❖ EBITDA with an increase of 22.7%
- ❖ The normalised EBITDA is 9.1% higher which is mainly affected by the higher sales in almost all business units, coupled with the strict control of expenses and risks.
- ❖ The negative impact of higher cost of production materials, primarily the higher average price of raw coffee, was compensated by higher operating efficiency and higher prices of final products. An additional positive effect came from the appreciation of the Russian ruble and the Serbian dinar.
- ❖ Lower finance costs and higher foreign exchange gains.

## OPERATING RESULTS OF SBUs & SDUs IN 2017

(HRK million)	FY 2017	FY 2016	FY 2017/ FY 2016
<b>SBU Coffee</b>	<b>209.5</b>	227.8	(8.1%)
<b>SBU (Sweet and Salted) Snacks</b>	<b>121.0</b>	116.4	3.9%
<b>SBU Beverages</b>	<b>158.2</b>	162.1	(2.4%)
<b>SBU Pharma and Personal Care</b>	<b>55.2</b>	47.3	16.7%
<b>SBU Savoury Spreads</b>	<b>128.7</b>	119.1	8.1%
<b>SBU Sports and Functional Food</b>	<b>(7.5)</b>	(20.4)	63.4%
<b>SDU Serbia</b>	<b>28.1</b>	20.1	39.5%
<b>SDU Croatia</b>	<b>25.6</b>	12.9	99.4%
<b>DU Slovenia</b>	<b>45.9</b>	43.3	6.1%
<b>SDR Zone West</b>	<b>(40.8)</b>	(52.0)	21.6%
<b>Other segments*</b>	<b>(141.9)</b>	(202.4)	29.9%
<b>Group EBITDA</b>	<b>582.2</b>	<b>474.4</b>	<b>22.7%</b>

- SBU Coffee: despite the increase in sales, the decrease in profitability is a result of higher costs of raw coffee, largely compensated by increasing retail prices.
- SBU Snacks: the increase in profitability is a consequence of the increase in sales revenue coupled with a good control of costs.
- SBU Beverages: the decrease in profitability primarily arises from the absence of one-off items (return of expenses for the water concession in Slovenia in 2016).
- SBU Pharma and Personal Care: the increase in profitability is a result of the sales revenue growth, coupled with a good control of costs.
- SBU Savoury Spreads: a profitability growth was recorded following a significant revenue growth and lower marketing expenses, coupled with a strict control of other operating expenses.
- SBU Sports and Functional Food: loss reduction as a result of restructuring and a more favourable relative gross margin.

- SDU Serbia: profitability growth as a consequence of sales growth, more favourable mix of customers and products (which led to a more favourable gross margin) and a favourable effect of the Serbian dinar exchange rate.
- SDU Croatia: profitability growth in line with volume and value growth in sales and a more favourable mix of customers, with optimum cost management.
- DU Slovenia: profitability growth as a result of an increase in sales and a better customer mix.
- SDR Zone West: despite the decrease in sales, primarily caused by the decrease in revenue in the Sports and Functional Food segment, the improved profitability is a result of lower costs of services, staff costs, marketing expenses and lower impairment of receivables and inventories.
- Lower cost of Other segments as a result of one off gain realised by sale of two factories from the sport and function food segment (in the amount of HRK 64.8 million), as well as private label production of that segment.

\* Other segments include SDR HoReCa, SDU CIS, BU Baby food, BU Gourmet, DU Macedonia and business activities which are not allocated on business and distributive areas (administrative headquarters and service support in Serbia, Slovenia and Macedonia) and are excluded from reporting operative segments. Comparative period has been adjusted to reflect current period reporting.

## OPERATING COSTS STRUCTURE IN 2017

(in HRK millions)	FY 2017	% of sales	FY 2016	% of sales	FY 2017/ FY 2016
<b>Cost of goods sold</b>	<b>1,327.8</b>	25.0%	<b>1,308.3</b>	25.6%	1.5%
<b>Change in inventory</b>	<b>6.6</b>	0.1%	<b>(14.0)</b>	(0.3%)	n/a
<b>Production materials</b>	<b>1,635.5</b>	30.8%	<b>1,581.0</b>	31.0%	3.4%
<b>Energy</b>	<b>57.8</b>	1.1%	<b>56.0</b>	1.1%	3.2%
<b>Services</b>	<b>409.5</b>	7.7%	<b>404.6</b>	7.9%	1.2%
<b>Staff costs</b>	<b>828.5</b>	15.6%	<b>800.9</b>	15.7%	3.5%
<b>Marketing and selling expenses</b>	<b>367.7</b>	6.9%	<b>355.3</b>	7.0%	3.5%
<b>Other operating expenses</b>	<b>221.2</b>	4.2%	<b>226.2</b>	4.4%	(2.2%)
<b>Other (gains)/losses, net</b>	<b>(64.9)</b>	(1.2%)	<b>(18.1)</b>	(0.4%)	257.6%
<b>Depreciation and amortization</b>	<b>175.8</b>	3.3%	<b>166.6</b>	3.3%	5.5%
<b>Total operating expenses</b>	<b>4,965.6</b>	<b>93.6%</b>	<b>4,866.7</b>	<b>95.3%</b>	<b>2.0%</b>

- ❖ Cost of goods sold: the increase as a consequence of higher sales, while the portion of cost of goods sold in sales revenue decreased.
- ❖ Costs of production materials: higher mainly as a result of higher sales of own brands, but also of the increase in costs of raw materials, primarily raw coffee and sugar.
- ❖ Costs of services: increased following the increase in production and sale volumes.
- ❖ Staff costs: higher due to a higher average number of employees and higher variable payments and provision for bonuses, following better business results. As at 31 December 2017, Atlantic Grupa had 5,268 employees (i.e. 224 employees less than at the end of 2016).
- ❖ Marketing expenses: higher following the increased investments of the business units Snacks and Sports and Functional Food, despite savings in the business unit Coffee.
- ❖ Other operating expenses: lower primarily due to lower impairments of inventories and savings in business travel expenses.
- ❖ Other (gains)/losses – net: gain was realised primarily based on one-off gain on the sale of factories in Bleckede and Nova Gradiška.

## PRICE DYNAMICS OF RAW COFFEE IN 2017

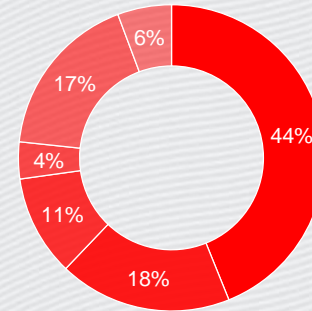


- ❖ In 2018 we expect lower average raw coffee prices comparing to 2017 coupled with positive influence of weaker dollar.

- ❖ The price of raw coffee blend was 14% higher in 2017 compared to 2016.
- ❖ After the strong growth of raw coffee prices at the end of 2016, the maximum was reached in January of 2017. Going to the end of the year, the prices gradually decreased.
- ❖ Atlantic Grupa continues to actively hedge the raw coffee price and dollar exposure.



(in HRK millions)	2017	2016
<b>Net debt</b>	<b>1,185.4</b>	1,502.3
<b>Total assets</b>	<b>5,126.4</b>	5,395.8
<b>Total Equity</b>	<b>2,249.8</b>	2,016.5
<b>Current ratio</b>	<b>1.47</b>	1.42
<b>Gearing ratio</b>	<b>34.5%</b>	42.7%
<b>Net debt/Normalised EBITDA</b>	<b>2.29</b>	3.17
<b>Interest coverage ratio</b>	<b>8,85</b>	6,06
<b>Capital expenditure</b>	<b>129,2</b>	140,2
<b>Cash flow from operating activities</b>	<b>348,2</b>	292,0



- Capital and reserves 43.9%
- Long term borrowings 18.2%
- Short term borrowings 10.7%
- Bond 3.9%
- Trade and other payables 17.6%
- Other liabilities 5.7%

- ❖ Focus on further deleveraging (net debt decrease of HRK 316.9 million).
- ❖ Net debt vs normalised EBITDA ratio fell from 3.17 to 2.29.
- ❖ Interest coverage ratio grew from 6.06 to 8.85.
- ❖ The cash flow from operating activities amounted to HRK 348.2 million.

KEY DEVELOPMENTS IN 2017

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## Strategic management guidance

- ❖ Focus on (i) further strengthening the position of well-known regional brands, (ii) development of distribution operations by strengthening of the existing and acquisition of new principals, (iii) increasing of the regional HoReCa portfolio, and (iv) continued internationalisation of operations.
- ❖ Continuation of listing and positioning of own brands into retail channel in Germany in cooperation with distribution partners with the aim to increase the efficiency of overall operations in this market.
- ❖ The management of Atlantic Grupa in 2018 expects lower average prices of raw coffee in the global commodity markets and an favourable effect of the EURUSD exchange rate, which will have a positive influence on the profitability of the Strategic business unit Coffee, as well as Atlantic Grupa in whole.

(in HRK millions)	2018 Guidance	2017	2018/2017
<b>Sales</b>	<b>5,400</b>	5,307	1.8%
<b>EBITDA</b>	<b>550</b>	517	6.3%
<b>EBIT</b>	<b>375</b>	342	9.8%
<b>Interest expense</b>	<b>45</b>	58	(23.1%)

- In 2018, we expect capital expenditure in the amount of around HRK 160 million.
- The expected effective tax rate in 2018 should be at the level of the previous year.

KEY DEVELOPMENTS IN 2017

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# CONSOLIDATED INCOME STATEMENT FOR 2017

(in HRK thousands)	2017	% of sales	2016	% of sales	2017/2016
Turnover	5,372,074	101.2%	5,174,539	101.3%	3.8%
<b>Sales revenues</b>	<b>5,306,817</b>	<b>100.0%</b>	<b>5,106,266</b>	<b>100.0%</b>	<b>3.9%</b>
Other revenues	65,257	1.2%	68,273	1.3%	(4.4%)
<b>Operating expenses</b>	<b>4,789,849</b>	<b>90.3%</b>	<b>4,700,169</b>	<b>92.0%</b>	<b>1.9%</b>
Cost of merchandise sold	1,327,839	25.0%	1,308,331	25.6%	1.5%
Change in inventories	6,644	0.1%	(13,984)	(0.3%)	(147.5%)
Production material and energy	1,693,308	31.9%	1,636,983	32.1%	6.7%
Services	409,540	7.7%	404,622	7.9%	1.2%
Staff costs	828,533	15.6%	800,863	15.7%	3.5%
Marketing and selling expenses	367,686	6.9%	355,339	7.0%	3.5%
Other operating expenses	221,155	4.2%	226,152	4.4%	(2.2%)
Other – net	(64,859)	(1.2%)	(18,136)	(0.4%)	257.6%
<b>EBITDA</b>	<b>582,225</b>	<b>11.0%</b>	<b>474,370</b>	<b>9.3%</b>	<b>22.7%</b>
Amortization and depreciation	175,758	3.3%	166,580	3.3%	5.5%
<b>EBIT</b>	<b>406,467</b>	<b>7.7%</b>	<b>307,790</b>	<b>6.0%</b>	<b>32.1%</b>
Finance costs - net	49,559	0.9%	103,643	2.0%	(60.8%)
<b>EBT</b>	<b>356,909</b>	<b>6.7%</b>	<b>204,145</b>	<b>4.0%</b>	<b>74.8%</b>
Current tax	80,685	1.5%	40,910	0.8%	97.2%
<b>Net income</b>	<b>276,224</b>	<b>5.2%</b>	<b>163,235</b>	<b>3.2%</b>	<b>69.2%</b>
Minority interest	695	0.0%	435	0.0%	59.7%
<b>Net income II</b>	<b>275,529</b>	<b>5.2%</b>	<b>162,800</b>	<b>3.2%</b>	<b>69.2%</b>

# CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31<sup>ST</sup> 2017

(in HRK thousands)	31 December 2017.	% of total assets	31 December 2016.	% of total assets
Property, plant and equipment	999,866	19.5%	1,082,059	20.1%
Investment property	1,209	0.0%	1,259	0.0%
Intangible assets	1,750,216	34.1%	1,756,217	32.5%
Available-for-sale financial assets	948	0.0%	915	0.0%
Trade and other receivables	95,239	1.9%	59,102	1.6%
Deferred tax assets	32,165	0.6%	47,293	0.9%
<b>Non-current assets</b>	<b>2,879,643</b>	<b>56.2%</b>	<b>2,946,846</b>	<b>55.1%</b>
Inventories	547,278	10.7%	623,318	11.6%
Trade and other receivables	1,190,789	23.2%	1,300,568	23.6%
Non-current assets held for sale	6,336	0.1%	5,687	0.1%
Prepaid income tax	5,029	0.1%	10,326	0.2%
Deposits given	252	0.0%	227	0.0%
Derivative financial instruments	-	0.0%	18,139	0.0%
Cash and cash equivalents	497,079	9.7%	490,730	9.1%
<b>Current assets</b>	<b>2,246,763</b>	<b>43.8%</b>	<b>2,448,995</b>	<b>44.6%</b>
<b>Total assets</b>	<b>5,126,407</b>	<b>100.00%</b>	<b>5,395,841</b>	<b>100.00%</b>
<b>Capital and reserves attributable to owners of the Company</b>	<b>2,246,187</b>	<b>43.82%</b>	<b>2,013,507</b>	<b>37.32%</b>
<b>Non-controlling interest</b>	<b>3,663</b>	<b>0.07%</b>	<b>2,981</b>	<b>0.06%</b>
Borrowings	1,135,191	22.14%	1,422,606	26.36%
Deferred tax liabilities	162,652	3.17%	171,811	3.18%
Other non-current liabilities	3,017	0.06%	6,673	0.12%
Provisions	50,456	0.98%	58,036	1.08%
<b>Non-current liabilities</b>	<b>1,351,317</b>	<b>26.4%</b>	<b>1,659,126</b>	<b>30.7%</b>
Trade and other payables	903,144	17.62%	1,073,996	19.90%
Borrowings	546,059	10.65%	588,539	10.91%
Current income tax liabilities	21,341	0.42%	9,231	0.17%
Derivative financial instruments	1,226	0.02%	0	0.00%
Provisions	53,470	1.04%	48,461	0.90%
<b>Current liabilities</b>	<b>1,525,241</b>	<b>29.8%</b>	<b>1,720,227</b>	<b>31.9%</b>
<b>Total liabilities</b>	<b>2,876,558</b>	<b>56.11%</b>	<b>3,379,353</b>	<b>62.63%</b>
<b>Total equity and liabilities</b>	<b>5,126,407</b>	<b>100.00%</b>	<b>5,395,841</b>	<b>100.00%</b>

# CONSOLIDATED CASH FLOW STATEMENT FOR 2017

(in HRK thousands)	Jan - Dec 2017	Jan - Dec 2016
<b>Cash flows from operating activities</b>		
Net cash flow from operating activities before interest and income tax paid	505,076	428,151
Interest paid	(100,391)	(82,290)
Income tax paid	(56,441)	(53,839)
<b>Net cash flow from operating activities</b>	<b>348,244</b>	<b>292,022</b>
	0	0
<b>Cash flow from investing activities</b>		
Purchase of tangible and intangible assets	(129,193)	(140,171)
Proceeds from sale of property, plant and equipment	8,799	49,260
Proceeds from sale of subsidiaries - net of cash disposed	129,342	-
Acquisition of subsidiary - net of cash acquired	(2,207)	(1,122)
Proceeds from sale of tea business	18,750	-
Loans and deposits given – net	(638)	(867)
Interest received	4,584	3,390
<b>Net cash flow used in investing activities</b>	<b>29,437</b>	<b>(89,509)</b>
	0	0
<b>Cash flow from financing activities</b>		
Purchase of treasury shares	(7,431)	(1,076)
Proceeds from borrowings, net of fees paid	120,394	234,386
Repayment of borrowings	(437,715)	(336,575)
Proceeds from bonds issued	0	200,000
Redemption of bonds	0	(115,000)
Withholding tax paid on dividend within the Group	(1,904)	(2,646)
Acquisition of non-controlling interest	(1,906)	(8,438)
Dividend paid to Company shareholders	(44,984)	(45,012)
<b>Net cash flow used in financing activities</b>	<b>(373,546)</b>	<b>(74,361)</b>
	0	0
<b>Net increase in cash and cash equivalents</b>	<b>4,135</b>	<b>128,151</b>
<b>Exchange gains/(losses) on cash and cash equivalents</b>	<b>2,214</b>	<b>(3,113)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>490,730</b>	<b>365,692</b>
<b>Cash and cash equivalents at end of period</b>	<b>497,079</b>	<b>490,730</b>

THANK YOU FOR YOUR ATTENTION