



**ATLANTIC GRUPA d.d.**

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SECURITY: ATGR-R-A / ISIN:HRATGRRRA0003

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**Zagreb, 30 July 2012**

### **Continued growth in the first half year**

**Zagreb, 30 July 2012** – In the first half of 2012, Atlantic Grupa reported sales in the amount of HRK 2.34 billion, which is 6.6 % higher compared to the same period last year. The operating profit before interest, taxes and amortization (EBITDA) increased by 24.8 % reaching a figure of HRK 282.8 million, with net profit after minority interests of HRK 6.6 million. All Strategic Business Units contributed to the growth in sales of Atlantic Grupa in the first half of the year, while the most significant influence with double digit growth rates was recorded by the Strategic Business Units Pharma and Personal Care (14.6%), Coffee (12.4%) and Savoury spreads (12.4%).

“By focusing on the synergy potentials and organic growth, in the first half of 2012 Atlantic Grupa recorded a growth in sales and an increase in operating profit. We are extremely satisfied with the results that prove the success of integration activities carried out during 2011 and in the first half of this year, and confirm that the investment in Droga Kolinska was justified.

Despite the challenging macroeconomic situation, the Management Board and employees of Atlantic Grupa continue to focus on further business growth through active brand management and innovation, cost optimisation, operating risk management and settlement of financial liabilities, whereby Atlantic Grupa is on its way to achieve the announced expectations for 2012”, commented President of the Management Board, Mr. Emil Tedeschi.

The first half of 2012 was marked by the implementation of a new organisational structure based on six Strategic Business Units (*Coffee, Snacks, Savoury Spreads, Beverages, Pharma and Personal Care and Sports and Functional Food*), along with four Strategic Distribution Units (*Croatia, Slovenia-Serbia-Macedonia, HoReCa, International markets*) and the *Russian market*. In the course of the reorganisation, the Management Board was reduced to four members and the Strategic business council was established, whose members are responsible for business and distribution units, as well as a corporate support functions.

In the first six months, the second integration phase continued with the focus on the consolidation of production capacities within Atlantic Grupa. Consequently, manufacturing of Multipower beverages was moved from the contractual manufacturer to Atlantic's premises in Rogaška Slatina, while the Management continues with the evaluations of cost-effectiveness of transferring the remaining service production to Atlantic's plants. New brands of spring and mineral waters were launched on the Croatian market (Kala and Kalnička) which substituted the former brands Unique and Kapljice in the



water segment. A new product from the Argeta product range was launched in the region - Argeta Delight, while a new product from the beverages segment - Cockta Rossa - has registered excellent results from the beginning of the season. Broadening of the distribution product range also continued as well as strengthening of the regional character of the distribution business.

The Croatian market is individually the largest market of Atlantic Grupa with 26.6 percent market share, followed by Serbia with 24.6 percent, Slovenia with 12.3 percent, Bosnia & Herzegovina with 7.9 percent, the remaining regional markets with 6.1 percent, while the key Western European markets account for 8.6 percent of total sales. The Russian and Eastern European markets with the share of 4.5 percent in total sales record the highest growth of 33.4 percent. The remaining markets account for 9.4 percent in total sales.

Atlantic Grupa's own brands account for 73.2 percent of company sales, external brands from distribution portfolio account for 15.0 percent, sales of the pharmacy chain Farmacia account for 6.5 percent, while Atlantic Grupa's private label production for large systems in Croatia and abroad account for 5.4 percent of sales.