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SECURITIES: **ATGR-R-A / ISIN:HRATGRRRA0003**
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Atlantic Grupa: Growth of sales and net profitability in the first quarter

In the first quarter of 2015, Atlantic Grupa recorded sales of HRK 1,157.7 million, which is a 3.0% growth compared to the first quarter of 2014. Earnings before interest and taxes (EBIT) amounted to HRK 73.6 million and decreased by 14.2%, while the net profit after minority interests amounted to HRK 44.6 million, indicating a growth of 39.3%.

Despite challenging economic conditions in the region and beyond, especially in Russia and Ukraine, in the first quarter of 2015 Atlantic Grupa recorded sales growth and further improvement in net profitability. The energy bars production plant in Nova Gradiška was put into operation in mid-March, representing the largest investment of Atlantic Grupa ever. Atlantic Grupa also started successful integration of the acquired company Foodland, which with the Bakina tajna (Granny's Secret) brand represents the expansion of the Atlantic Grupa's branded portfolio. In the remaining part of 2015, the focus will be on further growth and internationalization of operations, operational and financial risk management, business optimization as well as liquidity and financial liabilities management", said Emil Tedeschi, President of the Management Board and CEO.

With the new modern plant for the production of energy bars opening (HRK 100 million investment), the consolidation of Atlantic Grupa's production capacities continues, inhousing the production of energy bars from contractual external producers. Additionally, at the beginning of this year the Serbian Agency for Protection of Market Competition approved Atlantic Grupa's acquisition of Foodland, whereby all requirements for the company's integration in the Atlantic Grupa's business system and the inclusion in Atlantic Grupa's consolidated results in 2015 have been met. During the first quarter, the focus was on intensive integration of company into Atlantic Grupa with the aim of realizing sales and cost synergies. Among first steps taken in this



direction, we can point out the transition to the regional distribution network of Atlantic Grupa and regional expansion of Granny's Secret brand.

The growth of Atlantic Grupa's sales in the first quarter of 2015 was mainly propelled by the Strategic Business Unit Snacks with a growth of 5.9%, the Strategic Business Unit Savoury Spreads with a growth of 9.8%, the Strategic Business Unit Coffee with a growth of 3.1%, the Strategic Distribution Unit Croatia with a growth of 15.2%, the Strategic Distribution Unit Serbia with a growth of 5.0% and Distribution Unit Slovenia with a growth of 6.0%. Coffee with 18.8% share in total sales stands out as the largest single category, having recorded sales revenue in the amount of HRK 220.4 million.

Considered by individual markets, the greatest growth was recorded in Croatia which has the highest portion in total sales, i.e. 25.8%. Sales in Serbia, the second largest market with the 22.6% share in total sales, recorded a growth of 6.3%.

Atlantic Grupa's own brands accounted for 63.1% of total sales, distribution of principal brands 20.1%, pharmacy chain Farmacia 7.2%, while products that Atlantic Grupa produces as private labels for large business systems in Croatia and abroad accounted for 9.5% of total sales.

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