



Istrabenz PLC and Atlantic Grupa PLC sign the selling of Droga Kolinska

ZAGREB, July 1st 2010 – Istrabenz PLC and Atlantic Grupa PLC have signed an agreement on the sale of Istrabenz's food and beverage company Droga Kolinska. Agreement stipulates acquisition of hundred per cent share in Droga Kolinska worth 382 million euros. The price will be paid in cash of which the net debt will be deducted at the time of closing. Atlantic Grupa was chosen as the best bidder amongst wide range of investors, and it is expected that the sale process be finished by the end of the year.

Transaction will be financed through combination of own capital of Atlantic Grupa, stock holders capital and credit means of financial institutions such as that of UniCredit Group and Raiffeisen Group.

Through the acquisition of Droga Kolinska, Atlantic Grupa becomes one of the largest food companies in Southeastern Europe, with revenues exceeding 600 million euros, 4300 employees and one of the strongest portfolios of wholesale products with leading brands such as Cedevita, Argeta, Barcaffè, Grand Kafa, Cockta, Smoki and Multipower, together with principal brands of global leaders – Wrigley, Ferrero, Hipp and Johnson&Johnson, which the company distributes in the region.

„Atlantic Grupa has entered the sales process as a strategic industrial partner with the intent to continue developing the business of the whole company. With pleasure we can state that we have been recognized as a worthy investor with a well thought strategy of strengthening our common positions and realisation of mutual synergies on all the markets on which we are present“ said Emil Tedeschi, CEO of Atlantic Grupa. „Alongside the synergies, benefits of such a respectable investment can be seen in the quality of the employees of Droga Kolinska, quality of processes and technology and notable positions the company has with its brands in the region“ he added.

Droga Kolinska and Atlantic Grupa deal in complementary businesses, without significant overlaps and with large possibilities of synergies – in portfolio as well as presence on the market. Atlantic Grupa is the leading distributor of fast moving consumer goods in Southeastern Europe, the leading European producer of sports food, leading regional producer of vitamin instant drinks and food supplements and owner of the leading private pharmacy chain in Croatia. Droga Kolinska is eminent regional industry of food and drinks with portfolio that encompasses leading brands throughout the region – Slovenia and Srebia being the strongest markets. Its core business is divided into seven basic categories: Coffee, Savoury Spreads, Confectionary, Savoury Snacks, Carbonated Soft Drinks, Functional Water and Baby Food.

„The significance of this transaction is in the fact it ensures the new future for Droga Kolinska as a part of this new company that becomes one of the leading industries of food and drink in the region, and which will support its development and growth in the new markets“, said Tomaž Berložnik, CEO of Istrabenz in commenting the sale of Droga Kolinska to Atlantic Grupa.

As a strategic partner with notable experience in takeovers and development of acquired companies, respecting the value of human resources of Droga Kolinska, Atlantic Grupa will as well apply the proven good practice of human resources management in this acquisition. Based on the gathered experience and good practice in previous takeovers, Atlantic Grupa was recognized as a highly sensitive social partner, and it intends to continue developing Droga Kolinska as a whole, together with its business and human resources, as they represent significant pillars of the growth of the combined companies

Counsellors on the transaction representing Atlantic were among others Zagrebačka banka/Unicredit Corporate and Investment Banking as exclusive mergers and acquisitions counsellors, PriceWaterhouse Cooper and Roland Berger as well as Law Offices Šavorić and Partners and Slovenian Tax Grupa, as coordinators of counselling in the legislative segment of the transaction.