



## Revenue and Operating Profitability Growth

**Zagreb, 10/27/ 2011** – In the first nine months of 2011, Atlantic Grupa reported sales of HRK 3.45 billion, two times higher compared to the same period last year and 4% higher compared to the pro-forma consolidated sales in the first nine months of 2010. The operating profit before depreciation and amortisation, without one-off impacts, was HRK 394 million, while the net profit excluding one-off effects was HRK 32.5 million. The key sales growth drivers, along with the acquisition of Droga Kolinska, were the Sports and Functional Food Division with 18.3% higher sales and the Pharma Division with the respective 12.5 % growth.,

*“We are satisfied with our performance shown by doubled sales figures resulting from the acquisition of Droga Kolinska and with organic growth of sales and operating profits on the pro-forma consolidated basis compared to the previous year. We are particularly satisfied considering that the company simultaneously had to manage integration activities, optimization of internal processes and cost optimization as well as adverse macroeconomic trends coupled with spiking prices of raw materials on global markets. We expect to end 2011 in line with our business guidance”* says Emil Tedeschi, President and CEO of Atlantic Grupa. *“We are still focused on improving internal processes, active risk management and servicing financial obligations as well as active brand management. We are proud of the outcome conducted by independent research agency Valicon that has shown that three of our brands: Argeta (3), Cedevita (6) and Cockta (7); are among TOP 10 brands in the whole region, while at least one of our brands featured on each individual regional market in the TOP 5, based on the brands’ strength.”*, concluded Mr. Tedeschi.

The first nine months of Atlantic Grupa’s operations in 2011 were marked by several key events. In the first quarter, Droga Kolinska and Atlantic Grupa's distribution and logistic activities were successfully merged on all regional markets, accompanied by implementation of centralized procurement system and partially joined marketing activities. In the second quarter, in accordance with the long-term focus on its core activities, Atlantic Grupa sold its interest in RTL Hrvatska, while in the third quarter the company started with production consolidation processes. In September, the company issued bonds to restructure its debt maturity structure, in the nominal amount of HRK 115 million.

After integrating Droga Kolinska into Atlantic Grupa, the share of regional markets in total sales reached 79.8%. During the first nine months the share of Croatian market in total sales was 29%, followed by the markets of Serbia with 24.6%, Slovenia 12%, Bosnia & Herzegovina 8.2% and other regional markets at 5.8%. The key West European markets accounted for 8.5% of total sales with a growth of 11.7%. The UK market had the highest individual sales growth of 12.7%, followed by the Serbian market with an 11% growth on the pro-forma consolidated basis.

Atlantic Grupa’s own brands accounted for 71.5% of overall company sales figures, while distribution of principal brands in the region accounted for 17.3%, Farmacia 5.8% and private label sales accounted for 5.5% of sales.