



## **Growth in sales and profitability with focus on finalizing the largest acquisition in the region in 2010**

**Zagreb, October 27, 2010** – In the first nine months of 2010, Atlantic Grupa posted total sales of 1.68 billion kuna, a three percent growth in comparison to the same period last year, with a net profit of 106.6 million kuna. Excluding the one-offs, mostly emerging from the sale of the former Neva factory location, net profit advanced by 8.4 percent to 80.4 million kuna. Growth in Atlantic Grupa's top-line was driven by the Sports and Functional Food Division that delivered the strongest sales growth of 11.8 percent, and the Pharma Division with 6.3 percent higher sales showing.

"We are immensely satisfied that, despite the additional focus on the finalization of Droga Kolinska takeover, Atlantic Grupa successfully continued growth in top-line, profitability enhancement and optimisation of overall business processes in 2010. Our primary goal in the following months remains fulfilling projected expectations for the entire business year as well as the parallel realization of all planned preparations for the comprehensive integration of Droga Kolinska into the Atlantic Grupa system, in order to successfully realize planned synergies between the two companies in a due course. Despite unfavourable economic surrounding, we expect business expansion by the end of the year," commented Mladen Veber, Senior Vicepresident for Business Operations.

During the third quarter, Atlantic Grupa devoted considerable focus to finalizing the acquisition of Droga Kolinska with an expected closing date toward the end of November. As part of this process, Atlantic Grupa had successful capital increase in July, gaining a new major shareholder – EBRD. The new shares were listed on the Official ZSE market in October. In the third quarter Atlantic Grupa acquired the company Kalničke Vode Bio Natura from Badel 1862 for an enterprise value of 82 million kuna.

The Croatian market accounted for 56 percent and foreign markets 44 percent of total sales figure in the nine months of 2010. While Germany remained the largest foreign market, the Slovenian market that nearly doubled in sales, was the fastest growing market along with the Italian market growth of 18 percent. Furthermore, own brands made up 43 percent of total sales, distribution of external (principal) brands accounted for 39 percent, Farmacia 10 percent, whereby private label segment made up 8 percent of group's sales.

Upon the closure of the Droga Kolinska acquisition, the Croatian market will represent 30 percent of Atlantic Grupa's total business operations and international markets will account for 70 percent. Thereby, the Serbian market will be the second and Slovenian the third most important market in the consolidated sales figure. Upon the transaction closure, Atlantic Grupa will be one of the leading food and beverages companies in the region with total sales of about 635 million euro and 4500 employees.