

# ATLANTIC news

Atlantic Grupa  
Newsletter  
No. 14, November 2009  
Quarterly issue



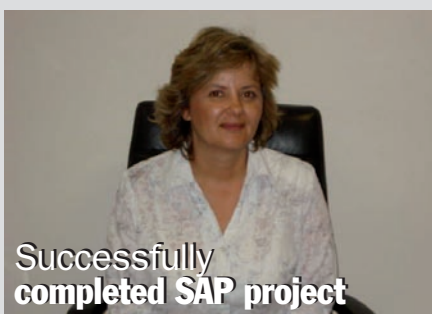
**Neva even stronger  
in a new factory**

Interview:  
**Igor Babić**

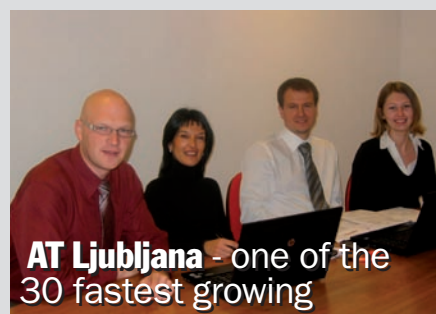
**Financial community:**  
AG as a positive example



**Multipower  
at a new address**



**Successfully  
completed SAP project**



**AT Ljubljana - one of the  
30 fastest growing**

## Atlantic takes over 12 new pharmacies and specialised OTC stores

Atlantic Grupa signed a strategic partnership agreement with the Health Institution Dvoržak by acquiring a share in the company Livia d.o.o. that owns this health institution, which was previously held by the company Pharma Investment from Iceland. Livia d.o.o., established by the Dvoržak family, owns ten pharmacies and five specialised stores for the sale of over-the-counter drugs and medicinal products throughout the territory of Croatia. Pursuant to the strategic partnership agreement, the final goal of this transaction is to separate 12 pharmacy units - seven pharmacies and five specialised stores - from the company system of Livia and their 100% takeover by Atlantic Grupa by the end of 2010. After separating these 12 pharmacies and specialised shops and their integration in the Atlantic Grupa's system, the pharmacies remaining under the management of the Dvoržak family will continue their business operations in a strategic partnership with the Atlantic's pharmacy chain Farmacia. The partnership will be realised through the joint coordination and management of purchasing, marketing, education and other professional activities. "By taking over new pharmacies in the territory of entire Croatia and their integration into the pharmacy system of



Marko Smetiško

Atlantic Grupa, the company additionally strengthens its position as the leading private pharmacy chain which will, with these new pharmacies, have the total of 50 units - 40 pharmacies and 10 specialised OTC stores. In addition to acquisitions, Atlantic Grupa also continues to expand its pharmacy chain Farmacia by opening its own new pharmacies and specialised stores, which is planned for the end of August and beginning of September" explained Marko Smetiško, Atlantic Grupa's Vice President in charge of Pharma Division.

## Office for Business

Within the investor relations activities, Vice President for Business Development Lada Tedeschi Fiorio, Vice President of Finance Zoran Stanković and Head of Investor Relations Maja Barać participated in a number of significant domestic and regional conferences held in the last few months with the purpose of introducing the business model and financial results of Atlantic Grupa's business operations, both to the existing as well as potential investors.

After presenting the company to a wider circle of investors at two regional conferences in Belgrade during May-summit of the leading company in the asset management segment in Eastern Europe - East Capital, and the road show of regional stock exchanges, at the end of August the regular presentation for investors was also held in which the company's semi-annual financial results were presented. That event was used to introduce representatives of the domestic financial industry with how the company handled the challenging macroeconomic environment so far as well as with the expectations for the company's further business development. Soon after, the company's business model with accom-



## Farmacia at six new locations

In the last four months, Pharma Division with its newly opened Farmacia pharmacies and specialised shops extended its presence to six new locations, followed closely by the opening of a pharmacy in the largest shopping centre, West Gate in Zaprešić. The new locations of pharmacies in Gračanska Street within Mercatone Centre and in Zagreb's Dubrava within Garden Mall Centre as well as of specialised shops in Zaprešić

and Varaždin exhibit a clear expansion strategy for the brand Farmacia with the goal of forming an exemplary established and organised Croatian national pharmacy chain. During the opening of abovementioned pharmacies in Garden Mall and West Gate, a rich programme was organised that included measuring of the mineral-vitamin status and presentations of vitamin and dietary products and top-of-the-line dermal cosmetics.



Mirna Buconjić, Nina Mandić and Mirna Mataš in Westgate



# Business Development in meetings with investors

panying financial results was introduced at the regional conference of financial firms Fima and InterCapital, while during the road show in USA Lada Tedeschi Fiorio held meetings with the existing and potential American investors. Already in October at the two-day conference of Erste Grupe in Stegerbach, Austria, Atlantic Grupa's business operations were introduced and numerous meetings with existing and potential global investors were held. That event was followed by the presentation of the President of Atlantic Grupa Emil Tedeschi at the Zagreb Stock Exchange's conference which addressed the consequences of the macroeconomic crisis for the



real sector, the need for more efficient market regulators as well as the need for as transparent as possible business activities of domestic companies. At the conference organised by Euromoney in the end of October, Lada Tedeschi Fiorio participated in the panel "Future of corporate financing" in which Atlantic Grupa was presented as an example of a regional company that used the capital market as a means for innovative financing of business development.

For the purpose of further development of investor relations with the goal of maintaining transparency to the investment public, the Office for Investor Relations plans further participations in various meetings and conferences, and the next one planned is the road show of regional stock exchanges in Vienna.

Likewise, it is worth mentioning that the Atlantic Grupa's positive business results in the first half of the year were followed affirmatively by the media and domestic financial analysts in their analyses, especially since these good results were realised under unfavourable macroeconomic conditions. Amongst the published analyses, a few need to be mentioned:

Quote from the analysis of the Research Department of Erste Bank: "After positive results in the first quarter, Atlantic Grupa declared yet another quarter of strong growth of revenues as well as profitability. We consider the announced results positive, especially the growth of profitability." Quote from the analysis "The first half of 2009 in line with expectations" of the domestic brokerage house InterCapital d.o.o.:

"Since the start of distribution (beginning of March) to the end of June 2009, Cedevita GO realised sales revenues in the amount of HRK 25 million which proves a significant potential of the special market niche represented by young people who spent a large portion of their time on the move." Quote from the analysis "Synergies and liquidity - main levers of growth" of the Economic Research Department of Hypo Alpe Adria Bank:

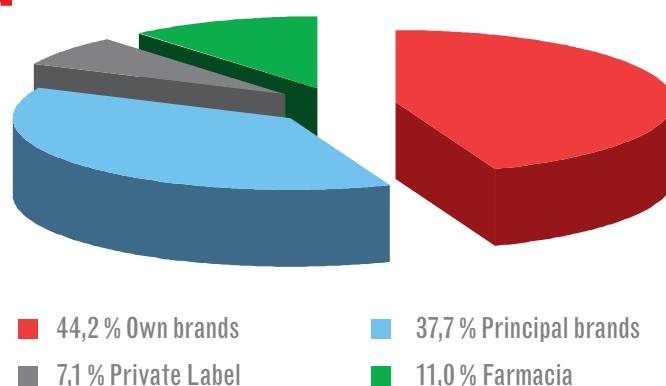
„Atlantic Grupa is constantly searching for appropriate acquisition targets with a particular product mix in order to diversify its existing sales mix, while the interest in pharmacy business indicates efforts in strengthening and further expansion of existing distribution channels."

## Growth with maintained financial stability and cost control

In the first nine months of 2009, Atlantic Grupa realized the total revenue of HRK 1.7 billion, which represents a growth of 10.3 percent in relation to the same period last year. Operating profit was increased by 16.8 percent to the total of HRK 128.6 million while without one-off expenses that growth was 9.8 percent. These nine-month results confirm the company's ability to realize growth and maintain stability through consistent implementation of its business model regardless of the adverse market conditions. The realised sales growth is based on the launching of new products, among which most the significant are Cedevita GO! and the new Active line of the brand Multipower, on new distribution agreements as well as the expansion of the pharmacy business by opening of new pharmacies and specialised shops for the sale of OTC medicines.

The first nine months of 2009 were marked by continuing the business development investments in the total amount of HRK 83.2 million, wherein the most significant investments relate to the expansion of the production capacities of Cedevita, production equipment for Cedevita GO! and the construction of a new, modernly equipped production building of Neva at the location Rakitje. Together with income growth, Atlantic Grupa also continues to focus on cost control through constant efficiency improvement at all levels as well as on maintaining the liquidity and the stability of the cash flow from business activities. "In spite of the recession environment and adverse ma-

Sales profile



croeconomic conditions in all the markets in which the company operates, by means of responsible management Atlantic Grupa realized good results in the past nine months. By maintaining the present focus and business flexibility, we expect to continue this positive trend and realize the announced results by the end of the year as well. In view of the current economic environment, which is especially unfavourable in Croatia where we realize the largest part of our business activities, we are also ready for increased efforts in the next year in order to achieve further business growth", commented Atlantic Grupa's President of the Management Board Emil Tedeschi.

## Multipower with new enthusiasm at the new Hamburg address

After 19 years spent at the address Holsteinischer Kamp 1, on October 19 the headquarters of the Atlantic's Sports and Functional Food Division were moved to a new attractive Hamburg location - Moorfuhrweg 17. These modern equipped offices and conference rooms are situated in a modern business district and the relocation itself, both symbolically and essentially, marked a great step forward for Atlantic Multipower. The last year's healthy balance and the upward trend of the core brand are best praises for the team who in the course of previous years within the system of Atlantic Grupa made important steps in the process of business restructuring. Multipower confirmed its positions in traditionally strong markets, but also opened new perspective markets which promise new growth. The sport spirit of the Sports and Functional Food Division demands new, larger and more dynamic premises which are in line with the needs of the division's business operations and the new location of its headquarters are adjusted with the position of Atlantic Multipower in the business community as well as with our ambitions for achieving new results. Atlantic Multipower Germany retained all its current telephone numbers at the new address while the new working conditions will facilitate improved functioning of this division's employees and enable the realisation of future sports and business victories.



Petra Wolle, Gregor Leichtfried, Rainer Zirkelbach



## Strong business growth led AT Ljubljana among 30 fastest growing companies

At the beginning of August, the distribution of Ferrero in Slovenia started, with which Atlantic Grupa proved the strength of its distribution infrastructure and Ferrero exhibited its trust based on the Atlantic's results in the region so far. With Ferrero brands (Kinder, Nutella, Ferrero Rocher, Tic Tac, etc.) Atlantic Grupa wishes to increase the availability of products in all distribution channels and, accordingly, the growth of market shares of those products in the Slovenian market. Moreover, the Slovenian market also exhibits growth following the launching of Cedevida GO! as well as growth in the HoReCa channel. In addition, Atlantic Trade Ljubljana by a local study, published in Slovenian journal Dnevnik, found on an excellent 29<sup>th</sup> place of 500 fastest growing companies, which is also reliable indicator of company success. The continuation of growth also

ensures the arrival of new principals. Based on the distribution force of Atlantic Grupa in the region, its position as one of the leading distributors in Slovenia, outstanding assortment and good position of products in our distribution as well as the excellent previous cooperation in the Serbian market, Ital Food Industry decided to entrust the distribution of its salty snack assortment (Maretti, Kubeti) to its reliable partner.

"We are exceptionally satisfied with the expansion of this recent successful cooperation with Ital Food Industry, which is well-organised and ready to provide full support in the market affirmation of this assortment also in Slovenia, and even more so since this concerns attractive and quality products at market affordable prices" commented Siniša Jurjević, Executive Director for the South-East European Market.



Siniša Jurjević



Sašo Ambrož, Sergeja Urbanc, Robert Pacek and Irena Petrič

## C 1000 effervescent tablets



C 1000 effervescent tablets are used in cases of increased vitamin C requirements: increased physical strain, stress, smoking, increased body temperature, contagious diseases, after surgical operations, in cases of spring fatigue, proneness to bleeding, slow healing of burns, unchanging diet and reduction diets.

A single effervescent tablet contains 1,000 mg of vitamin C, and taking only one tablet a day in winter months will efficiently help in preventing viral and bacterial infections.

## Energy UP against exhaustion

You're tired? Lacking energy? The solution is in Energy UP effervescent tablets, a dietary supplement intended to restore energy in cases of increased exhaustion.

This stimulating refreshing drink provides the organism with essentially important substances (vitamins, amino-acids and oligo-elements) and re-establishes the balance in the organism's enzyme and immune system. It is recommended in cases of fatigue, psychophysical exhaustion, stress and hangover. With only one effervescent tablet a day, the organism's energy is restored.



## Capsules folic acid supplement

Folic acid belongs to the group of B vitamins and it is responsible for multiple organism functions, especially during pregnancy because it enables a foetus's regular growth and development. Additionally, together with vitamin B 12 it participates in creating blood cells and in that way prevents anaemia. It is water-soluble so therefore any excess folic acid is excreted from the body through kidneys.



## New design of Cedevida teas

Cedevida teas enter the new season in a new, refreshed and more modern design.

The new design, as well as novelties in the packaging itself will increase the products' visibility and in that way differentiate from the competition.

The novelties in the packaging are, except for the design, practical perforation (opening), which allows for a simpler use of the product itself and the vertical view of the packaging which especially suits small retailers as it relates to the possibility of vertical stacking i.e. more efficient use of shelf space. The vertical view and practical perforation have their purpose in the HoReCa channel, where they facilitate the use by caterers and contribute to neatness and the visual sensation.



## Multivita 12+12 Novelties in the candy assortment

Since September, on the markets of Croatia, Serbia, Bosnia and Herzegovina and Montenegro, Multivita extended the range of its effervescent tablets with a new product, MULTIVITA 12 vitamins + 12 minerals optimally balanced for preserving the organism's health. These effervescent tablets are recommended in cases of: unvaried and unbalanced diet, for persons who because of their daily duties do not take care of their own diet, during reduction diets, for lack of appetite, malnutrition and anorexia, increased psycho-physical efforts, in conditions of physical and psychological exhaustion, during reduced immunity of the organism, recovery from disease, sport activities and for middle-aged and elderly persons.

This summer the Consumer Health Care Division started the expansion of its candy assortment with new flavours wishing to satisfy each consumer who wants sweet, but also strong peppermint tastes. In August Cedevida expanded the assortment of its compressed candies with 2 new products - Rondo C candies with watermelon mint and kiwi mint flavours. With their pleasant fruity mint aroma, the new products fully follow the trends in the category of small candies.

By launching these two products, Cedevida compressed candies initiated their strategy of entering the regular shelf and strengthening their position in the lower price category. With the beginning of autumn, the first winter flavour of Cedevida candies was also launched having a sweet and sour taste of pomegranate ideal for the upcoming winter time even more so because of the 9 vitamins it contains. Peppermint candies launched two novelties: Peppermint Strong for the fans of extra strong refreshment and Peppermint Orange for those who prefer fruit flavours. Peppermint candies are packed in a new, more practical box, but retained their traditionally recognisable stripes on the packaging. Novelty is also the start of packaging Peppermint candies at home in Planinska, which had a significant effect on the reduction of production costs, but also increased flexibility in responding to market trends in this extremely competitive category.





## Atlantic's web - at the top of 140



The webpage of Atlantic Grupa, [www.atlantic.hr](http://www.atlantic.hr), achieved 90% conformity with the OECD's principles (Organisation for Economic Cooperation and Development) of corporate management, thus finding itself at the top of the list, in front of Podravka, HT and PBZ. This list refers to the results of research performed by the Zagreb School of Economics and Management between 140 companies whose average was 40 percent and the main goal was to examine the level of distribution of socially responsible business conduct in Croatia. The results showed that Atlantic is at the top because of its transparency of information available on the webpage.



## Redesign of the intranet page

In view of the fact that Atlantic Grupa is already in its fourth year since the first intranet was implemented, the Corporate Communications Department decided to carry out a light redesign and make it even more functional and modern while at the same time introducing novelties to facilitate the searching of available information. So, on 26 October the redesigned intranet page was launched and some of its new features are increased resolution suitable for larger monitors, increased clearness and rearrangement of the most used columns "Search" and "Directory", a drop down menu, added links to external pages of Atlantic Grupa, distinction between heading and other news and, as the biggest novelty, tags which allow interconnection of articles within the intranet system thus facilitating browsing and searching of the intranet page. The page was designed with a wish to help Atlanticers use its contents even more simply and the redesign is an additional benefit to make searching even more easier on the eyes.



Nataša Gembarovski



Branimir Kušanić

## News from the ICT department - SAP completed, here comes CPM!

Within the ICT department, the project of SAP upgrade was successfully completed. SAP is a business system which was until now introduced in Cedevida and Neva and it is planned to be introduced in the Human Resources Department. This project was managed by Nataša Gembarovski, IT support coordinator in cooperation with partners from the company S&T and with participation of SAP users in companies Cedevida and Neva. The project was supervised by Management Board members Zoran Stanković and Tomislav Matusinović.

Moreover, the replacement of the server infrastructure for the Atlantic's data centre in Jankomir was also carried out. This concerns the equipment on which the Atlantic Trade's business system is based and on which all shared Microsoft services for the entire group (primarily the mailing system Exchange) are performed.

The first phase of the CPM (corporate performance management) project was also finalised in the part of central system functionality for the needs of consolidating the reporting in the area of finances. This is a first project of its kind where the data from business systems of all Atlantic's companies are withdrawn automatically and stored in the central data storage in Zagreb, and then particular analyses and other processes are performed on them. This will significantly facilitate the process of reporting to Atlantic Grupa from all companies and replace reporting which is mostly done manually, by exchanging documents.

## Cedevida's quality confirmed once again

In the middle of October, Cedevida successfully completed the IFS (International Food Standard) audit on the basis of which Cedevida again received a higher level of the IFS certificate for the manufacture of instant vitamin drinks and peppermint candies, and this year the certification scope included Cedevida GO! as well. The IFS standard was designed by German and French retail chains with support of other international retailers in order to ensure safety and health propriety of foodstuffs through the whole supply chain, from "the fields" to their stores. The new, fifth version of the standard was created with participation of Italian retail chains and the standard sets even stricter requirements since it, in addition to the already existing 4 so called "knock-out" requirements that mean automatic failure if only one of them is not satisfied, added 6 more of such requirements. Naturally, not even that prevented Cedevida from satisfying 98% of the total of 250 requirements and entering into the group of selected companies holding the most demanding standard in foodstuffs industry. The holding of the IFS certificate paves the way to international markets for Cedevida, even more so since Cedevida was placed on the list of certified manufacturers on the IFS Audit portal, the official webpage of the German Retail Federation. The certification was performed from 23-25 October by an auditor from DNV (Det Norske Veritas), one of the leading cer-



Vesna Malnar, Sanja Komočar,  
Natalija Fink and Andrina Cvitaš Penzar

tification institutions in the world, who used this opportunity to point out that Cedevida is one of the rare companies with such high evaluation results. In order to achieve such results, the team work of all employees of the Consumer Health Care Division who participated in defining and implementing the entire system was extremely important, especially the work of the core team consisting of Andrina Cvitaš Penzar, Vesna Malnar and Sanja Komočar, headed by Natalija Fink, Executive Director of Quality Assurance. Their knowledge and cooperation enabled independent implementation and continuous improvement of the system without assistance from external consulting firms. Additionally, in December the Consumer Health Care Division also plans recertification according to the ISO 14000 standard and periodical audits according to the ISO 9000 standard.

## Melem and Dietpharm winning over the region through pharmacies



Natalija Kanački

During October, a series of lectures for masters of pharmacy was organised in cooperation of Neva and Fidifarm, with the purpose of introducing the profession with Melem as a neutral dermatologic base and with Dietpharm products, Kalcij-citrat + D, Makulin and Makulin Plus and their advantages. The first lecture was held in Sarajevo on 14 October where, in front of around a hundred masters of pharmacy, Arijana Meštrović, Head of the Education Centre,

introduced the audience to Melem and presented its application on various patient groups, while Natalija Kanački, Head of the Medical-Pharmaceutical Service in Fidifarm spoke about the role of dietary supplements and trends in treatment of eye diseases and osteoporosis. This collaboration was continued from 15-17 October in Laktaši at the 11th Symposium of Pharmacists and Biochemists of the Republic Srpska which brought together almost 400 masters of pharmacy. In addition to participating with the exhibiti-



Ivana Les

on room, two expert lectures on Melem and products Makulin and Makulin Plus were held. At the promotion stand, visitors could, along with product information, also receive samples of those products and promotional gifts. Except for reminding about its entire production programme, Dietpharm placed special emphasis on its winter products and handed samples of multivitamins Centravit and Tusol pastilles to participants. The participants' reactions were extremely positive, which was confirmed by the results of the evaluation survey filled out by them. Intensive activities of cooperation with pharmacists for the brand Melem were also initiated in Belgrade where Melem was also introduced with the exhibition room as well as a lecture for pharmacists at the 54th Symposium of the Pharmaceutical Society of Serbia held from 23-25 October. During the symposium's two days, over 400 pharmacists from Serbia found out about the extensive applications of Melem, and, as in Bosnia and Herzegovina, participants received, apart from product samples and sweet Melem chocolates, a leaflet with which they obtained the right to participate in the commercial action which goal is to expand the distribution of Melem in pharmacies.

## Atlantic Farmacia highlighted as a positive example in Istanbul

Atlantic Farmacia with its representative Arijana Meštrović, Head of the Education and Competency Development Centre, participated at the 69th World Congress of Pharmacy in Istanbul where she presented the results of competency testing and improvement in Farmacia's pharmacies. The Congress of the International Pharmaceutical Federation (FIP) was held in the beginning of September with around 2,500 participants and the topic was patient safety, with special emphasis on the expanded role of pharmacists in the revision of medical therapy and development of competencies essential for the outcome of treatment. Atlantic's HI Farmacia in cooperation with CoDeg (The Competency Development and Evaluati-

on Group) and London's School of Pharmacy, within the section Quality of Pharmacist Care, presented a poster with the results of testing and improving competencies in its pharmacies. The poster author Arijana Meštrović also actively participated in the work of the Global Education Taskforce, an expert work group which plans and implements lifelong learning and training for masters of pharmacy at the global level. The presentation generated great interest from colleagues from neighbouring countries while the Atlantic's model implemented through HI Farmacia was presented as a positive example and the Education Centre as a leader in introducing quality assurance in pharmacies in the region.



Arijana Meštrović

## Atlantic's marketing in the company of renowned experts

From 20-22 September in Budapest the annual marketing conference was held - The Central Eastern Europe Marketing Summit. Koraljka Koncul, Executive Marketing Director of the Consumer Health Care Division participated at the conference as one of the speakers and participants in panel discussions. The conference gathered marketing professionals of leading companies in Central and Eastern Europe - Unilever, Heineken, Kraft Foods, Carlsberg, Reckitt Benck-



Koraljka Koncul

ser, Philip Morris, Ikea, Erste Bank, Schering-Plough, Magyar Telekom, etc., and the lecturers included, apart from Koraljka Koncul, renowned experts in the field of marketing from the business world and

academic community throughout Central and Eastern Europe. Due to the global recession and unfavourable economic situation, most of the lecturers emphasized great importance of the marketing profession, which, regardless of the current adverse environment and the prevailing short-term orientation of companies, needs to strive to accomplish its goal - long-term increase of brand value and health and continuous customer acceptance. In the present turbulent times, consumer decisions are under influence of very specific factors. Having that in mind, the marketing profession aspires to combine the best from traditional, proven practices with new methods of customer decision management.



# Neva even stronger in a new factory

The works on the construction of a new factory and relocating the production of the Neva assortment to a new location in Rakitje were finalised in a record time. In November the production of the cosmetics assortment of Atlantic Grupa started with full capacity in a new modern factory situated next to Fidifarm. "Renowned brands of one of our pillars, the Consumer Health Care Division, such as Plidenta, Melem, Rosal and Rosal Lip Balm Neva, are realising continuous growth and development within the system of Atlantic Grupa and this new modern factory gives us a new wind in the back and represents an excellent basis for our ambitious development plans in the future", commented the significance of this event the Division's Cosmetics Marketing Director Lejla Dautović Čaić.

Neva is operating within the system of Atlantic Grupa since 2003 and started functioning at the previous location Tuškanova in the distant 1923. Over the years, production, storage and administrative facilities expanded on that location, but the city's development, redefinition of the purpose of city zones and also the company's business plans resulted in incompatibility of that production location. At the end of 2008, with the development of business operations and new strategic directions, a decision to relocate the production capacities of Neva to the new location was made. Taking into account the indicated future business needs of Neva, the analysis of potential locations and alternative options, the location in Rakitje in Sveta Nedelja was selected as an optimal new location, where the business-production building of Fidifarm are situated as well.

This at the end resulted in constructing a self-standing building with complete infrastructure next to the existing building of Fidifarm, and the goal was to achieve the maximum built up capacity of the plot, optimisation of technological processes and, consequently, the square footage of the building itself. The new building expands to approximately 2,800 m<sup>2</sup> designed on two production floors, of which each has about 1,400 m<sup>2</sup>, while the height is 12 metres. The new plant's ground floor includes primary production, integrated packaging room with all packaging lines, single-day entry and exit storage rooms and the energy unit with a boiler and compressor room. Additionally, as a new step forward in line with the trends and legal requirements for



Neva in Tuškanova

environmental protection, the production factory also contains a new device for the treatment of wastewaters from the location. The first floor of the building holds the production unit with the weighing room, preparation and dosing of raw materials, storage rooms, administrative offices as well as wardrobes and premises for production maintenance and support. The production areas, with their concept and parameters of production conditions, ensure the regime of temperature, moisture and the required number of air exchanges defined by technological requirements for the purpose of optimal protection of products.

The new factory was installed with all existing production equipment moved from Tuškanova and a part of energy equipment along with purchase of additional new elements for the purpose of adjustment to new premises. Also, the factory was designed as an energy efficient building, equipped with all required infrastructure thus creating an integrated unit.

The realisation of the complete project lasted one year in cooperation with contract partners, and started in November 2008 by preparing the project documentation. Through extreme efforts the location permit was obtained in Janu-

### The new factory's construction progress:

- 01/2009 - Location permit
- 03/2009 - Main project design confirmation
- 01/04/2009 - Beginning of construction works
- 15/06/2009 - Shutting down production in Neva, Tuškanova
- 07-08/2009 - Relocating equipment to the new plant in Rakitje
- 09/2009 - Completion of construction and installation work
- End of 2009 - Technical inspection (only sewerage in Obrtnička street is missing)
- 10/2009 - Preparation of the plant for production
- 26/10/2009 - Beginning of the trial production phase
- 11/2009 - Operating permit

### The new plant's characteristics:

- The building's layout: 1,400 m<sup>2</sup>
- Total surface: 2,800 m<sup>2</sup> of usable surface

ary and the main project design conformity certificate was obtained already in the end of March, when the preparation of construction works also started. In order to be able to perform the required works and prepare the building for in-

4/2009 construction works



5/2009 construction



6/2009 working on new facade



6/2009 w







Neva's new factory in Rakitje

The building's concept: ground floor, floor, roof - service and energy functions  
 The building's height 12 m  
 Infrastructure - gas, water, sewerage, electricity  
 New wastewater treatment device installed  
 Recycling yard

**Advantages of the new location:**

- Flexible and modern new factory
- Complete infrastructure as a self-standing building
- Environmental requirements satisfied
- Synergy with the existing production location of Fidifarm:
- Integrating the location into a single unit
- Shared functions (reception, security, recycling yard, restaurant)
- Location management
- Option for future energy integration
- Development potential

Installation and relocation of equipment, particular segments were designed, works contracted and works on the construction site performed in parallel. Neva's production in Tuškanova was stopped in mid-June when the preparations

for moving the equipment to the new location were initiated. With valuable efforts of the project team and partners, all technological and energy equipment was moved to the new factory by the end of August and the following month was spent in intensive linking of the building's installations and systems. At the end of September, the factory passed the legal regulations i.e. the prescribed procedure of technical inspection and started with the preparations for production. After completing all preparations, testing and trial production phase, during November the operating permit was obtained and thus the full functionality of Neva's production capacities was achieved.

„The realisation of this important and valuable investment was managed with the goal of optimal use of existing resources, construction of a modern, flexible and energy efficient building, with a possibility of additional space reserved for potential new production functions of Neva or Fidifarm. The construction of the production factory in Rakitje also achieved a synergy effect with the existing functions of Fidifarm at the same location, both with the integration of the location into a single unit, management of the shared functions as well as with the development po-

tential of both companies”, explained Atlantic Grupa's Executive Director of Investments and Maintenance, Jadranka Kovač Manenica.

With the purpose of efficient project management, the Project Team for the construction and relocation of Neva to Rakitje was appointed under management of the Investment and Maintenance Department and with participants mainly from Neva's production and technical operations of the Consumer Health Care Division as well as with the commitment of corporate support functions. Since all the production equipment from the old factory was to be moved to the new location, a great challenge was to carry out quality consideration of the period between shutting down the production in Tuškanova and production start-up in Rakitje, plan to manufacture sufficient product stocks and at the same time plan for optimal use of Neva's human resources. Considering the complexity of this project and extremely short deadlines for relocation which were to be followed, good organisation, professional knowledge and outstanding engagement of all participants in the project were of critical importance for the successful realisation of this project.

visiting new factory



7/2009 completion of the facade



8/2009 relocating equipment to the new factory





## Strengthening of management skills in Marija Bistrica

Continuous training and development of new knowledge and skills are the main characteristics of the Atlantic Academy which at the end of October in Marija Bistrica joined around fifteen Atlantic's managers wishing to further develop and improve their management skills. In cooperation with a consulting firm, management skills improvement and strengthening programme was held under the title Change Management, which the Human Resources Department organised as one of its principal tasks in the field of managing career development.

Some of the workshop objectives were: development of the system for targeted organisation management through change and development of competencies for change management, and the topics were: trends in the business environment, process of change and attitude towards them as well as the development of an individual action plan.

The next workshop covering the same topic will be held in mid-November within the Atlantic Academy whose goal is to invest in new knowledge and their practical application, which are also the main reasons for such internal educations.

## Performance management in 360 degree

The performance management project, better known as U2, with which Atlantic Grupa introduced the process of individual performance management, was extended to a larger part of the company's employees during this year. All included employees in cooperation with their managers set clear performance targets and defined short-term activities for the development of key competencies required to carry out the planned tasks. The provision of feedback from managers concerning the employees' performance and the adjustment of individual plans to revised business plans is in progress.

Positive experiences of managers with the U2 project may be summarised in a comment from one of the participants: "My positive experience is that we managed to define measurable parameters in determining the successfulness of an individual. Their value is that much higher because these parameters were agreed and accepted by both sides (employees and their manager) thus contributing to a better understanding of personal roles in the collective and realisation of common goals."

As an incentive award to managers who were most expedite in the first part of the project, a special surprise was organised during August - ten tickets to a spectacular concert of the band U2 in Zagreb within their tour "360 degrees"! Their experiences are best described by one of the lucky winners: "An event to remember for life! Everything was great - atmosphere, music, fascinating stage! U2 have proven themselves as outstanding professionals. In a few words - a beautiful experience! "

## An Atlanticer do

### You will soon take over BM. What do you see as your most important task?

As an experienced Atlanticer, I take no job lightly. Working in BM represents a challenge for me, certain processes in the department need to be brought to a certain level of quality, and our goals are high. However, I already have a long-standing experience of managing this department, and therefore I'm convinced that, if we stick to the defined standards and rules, we will bring BM to a high level. One extenuating circumstance is working with a good team. Although this is often forgotten, I am of the opinion that a job does not consist of products, tables and budgets, but of a good team of people. On the other hand, we cannot forget about reports and tables, although this is a more strenuous part of the job. Naturally, it is an additional challenge to maintain good relations with the principals. I hope that we will soon have the opportunity to expand our product range. I think that this is the most important segment in planning.

### You're moving from one division to another, from marketing to BM. Do you consider it a significant change and will you miss the creativity you had in the field of marketing?

In the SFF Division I've spent the last two and a half years at the position of Marketing Director, where the work and ideas of the entire team always ended in some tangible result, some visible marketing project. In BM, marketing is a lesser segment and much more work is invested in co-ordination of operations, activities and sales. The BM Department must be the initiator of sales, or, to quote Srećko Nakić - the carrier of control over the implementation of objectives. I hope I will successfully reach those objectives. When we are talking about my previous position, I must say it was dynamic. Marketing in SFF was lately in the phase of procedures, market analyses, we needed to find out in which segments do we see growth in the next 3-5 years. Through intense efforts we reached the implementation phase and I will see the end result from the perspecti-



Ana Marija Jurić, Boris Anić and Katarina Kujundžić



# Do not take any job lightly



Igor Babić

**Igor Babić is one of the “oldest” Atlantickers. His successful career in the company has been developing for the last 15 years, during which he was directly introduced to almost all the activities the company performs. Four years ago, business challenges have taken him to the headquarters of our Hamburg division Sports and Functional Food and his most recent career shift returned him to Zagreb as the Head of the Brand Management Department (BM) in the Distribution Division. This anniversary and the new change of the working environment were the reason for this short look into his experiences and plans.**

ve of Zagreb. I'm not sorry, because I'm leaving behind one important and exciting experience while BM to which I'm coming has a lot of potential. For starters, business operations need to be well organised, we need to see what are our further activities and to set priorities, and new challenges always bring new thrills. I like to say that a marketing job is like architecture - shaping of ideas, and this one in BM is like construction, after setting goals, we slowly climb to the top we want to accomplish.

**If you look back to the years spent in SFF**

## **Division, what do you consider the greatest success in Hamburg?**

As my own personal success, I consider the fact that I've learned the language, worked and collaborated with people from multinational environment, which really shaped me as a person, enriching me and providing an excellent basis for future business partnerships. With regard to the job, I'm impressed by the fact that we managed to bring a company, which was practically at the bottom when we acquired it, to a respectable result within a relatively short period of

time. There were so many small successes that I think this period was extremely positive, both for me personally and for Atlantic as a company. Excellent relations with colleagues and high awareness of employees' involvement in all spheres of business operations, those things were very important for us and I'm very proud of them.

## **What will you miss the most from our German division, or from Germany, which you do not have here and vice versa?**

Hamburg is one cosmopolitan city and I was simply fascinated by its level of organisation, both of people and the state. Everything there functions like it should and I was always amazed by the people's mentality, they are simultaneously hard-working and relaxed. The atmosphere of a harbour city and the way the whole city “breathes” because of it, that's what impressed me the most. However, I'm still happy to come back, although it is less because of Zagreb, and more because of Varaždin, where my home and family are.

## **You are already for 15 years in this company, how did you start your career in Atlantic and how would you describe your career path?**

I've started my career in Atlantic in 1994, as the 34th Atlantic's employee. Then the company was in its beginnings, and a small anecdote which I always remember refers to my first arrival to the company, when the door was opened for me by the President of the Management Board himself. That's how small company we were. I've started as a travel salesman for Varaždin and Čakovec, and already next year I was working as the assistant director for the north-western region, responsible for the team and wholesales, in 1996 I've become the director of DC Varaždin and afterwards of DC Slavonski Brod. After that, in 1999/2000, I've taken over as the director of Maximus, and then in 2001 as the director of the BM department which I was doing simultaneously with the function of logistics director from 2003. I've joined the SFF Division in 2006 and for the last two and a half years I've worked at the position of marketing director. Atlantic is my first permanent job and I've continued my professional development here. That's why I have the feeling that, together with the people at the head of the company, I've written the history of this company for which I'm very proud.



## **Dietpharm for future mothers**

At the 7th Croatian Congress on Gynaecological Endocrinology, Human Reproduction and Menopause at Brijuni, Dietpharm introduced the participants to its range of products intended for pregnant and menopausal women. This congress gathered around 400 gynaecologists and endocrinologists from Croatia and around 40 from Bosnia and Herzegovina, during which Dietpharm had an opportunity not only to present its new products, but also to remind about some of its already well-known brands. The emphasis was on presenting the most well-known products for menopausal discomforts Refemin and Refemin plus capsules which, as long-standing market leaders, are recognised both by the profession and consumers. The congress was also an excellent opportunity to present a new Dietpharm product, Folna kiselina (Folic acid) capsules, which are recommended for women who are planning their pregnancy and pregnant women and to remind of Centravit prenatal capsules which, in addition to vitamins and minerals, also contain omega 3 fatty acids essential for baby's regular brain development and eyesight acuity.



Joško Klisović

In mid-October, Atlantic Grupa participated at the conference BAC SEE (Business Advisory Council for South East Europe), a politically independent body working on the promotion of business interests in South-East Europe and was also one of the sponsors who supported the hol-

## Atlantic sponsors a meeting of the strongest companies in South-East Europe

ding of this meeting of organisation's members in Cavtat. Atlantic Grupa became a member of BAC this year, and the Atlantic's President of the Management Board Emil Tedeschi during the year participated in a number of their meetings. At the meeting in Cavtat, in which Atlantic Grupa also participated as the sponsor of the event itself as well as all supporting activities, the current political situation in the region and the economic situation in Croatia and the region were discussed. BAC SEE includes reputable businessmen who represent the leading regional companies and major multinational companies which are present on or interested in the SEE market and, therefore, the membership in this organisation is an exceptional honour for the company, considering that the criterion for invitation

is the company's reputation and business results. The benefits of Atlantic Grupa in supporting the activities of BAC SEE and its membership in the organisation are: the strengthening of the company's status and influence in the regional market, participation in defining recommendations to governments of the countries in the region and international institutions with regard to improving business and investment conditions in the region, strengthening relationships with governments in the region, etc. Today BAC SEE includes 45 investors and company representatives from 20 countries and, by supporting this organisation with its sponsor activities, Atlantic proved its intention to stay at the top with the selected companies in South-East Europe.

## Atlantic holds a competition in consulting skills for pharmacy students

Atlantic Farmacia organised a first Croatian competition in consulting skills for pharmacy students. Prior to the competition, Atlantic's Vice President for Pharma Division Marko Smetiško held a lecture for students on the topic of pharmacist's role in modern pharmacy and Arijana Meštrović, Head of the Education Centre, was one of the three lecturers and a member of the expert jury.

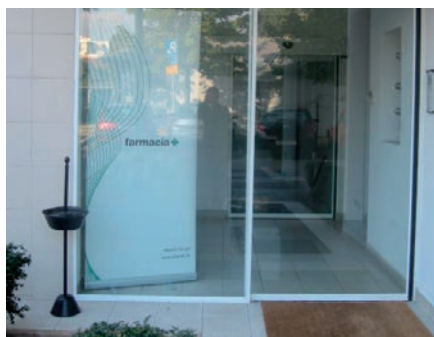
This project included a series of lectures and workshops for the purpose of developing students' clinical and consulting skills, after which the competition followed. Candidates were monitored and evaluated by an expert jury. With this project, students were offered an opportunity, by way of an actor playing a patient, to meet the real challenges in any pharmacist's practice and try to overcome them.



Marko Smetiško

## Farmacia's headquarters at a new location

Since the beginning of October, the Pharma Division's employees in the pharmacy segment replaced their recent work premises with new ones in Heinzelova Street. With this relocation, all employees of the youngest Atlantic's division are now working together at one location which significantly increased the level of communication between employees and, consequently, the work efficiency as well. As the functioning of the Atlantic's Education Centre largely depends on its premises and the available equipment, this relocation also enables the holding of Education Centre's lectures always at the same location. Even larger expansion and equipping of training rooms is



planned in the future with the purpose of enabling organisation of all types of training for masters of pharmacy from IT to simulations of working in a pharmacy in sufficiently large rooms with top quality equipment.

## Atlantic supports dramatic artists again

This year as well Atlantic Grupa supported the Croatian Association of Dramatic Artists and sponsored this 18th in a row Croatian Theatre Awards which ceremony was held at the end of November and for the purpose of awarding actors, directors and other theatre artists for plays



which premiered in theatre season 2008/2009. Atlantic Grupa was present at the award ceremony, which was held in the Croatian National Theatre, by sponsoring particular award categories and with its logo. Aware of the need for supporting cultural activities in Croatia, Atlantic regularly supports this and similar cultural events, among which most important are the Sarajevo Film Festival and the Jewish Film Festival, with which it wants to exhibit its direction toward developing and preserving cultural activities in Croatia. The Croatian Theatre Awards are organised by the Croatian Association of Dramatic Artists, and awards are given since 1992.