

ATLANTIC *news*

Atlantic Grupa Newsletter

No 16, August 2010.

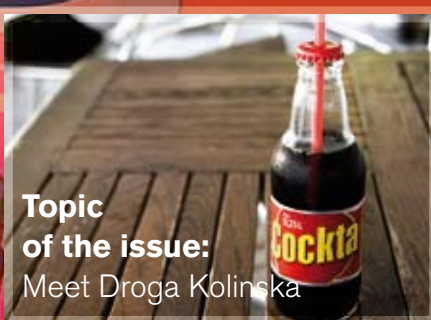
Quarterly issue



Atlantic Grupa signed the agreement acquiring of Droga Kolinska



After capital increase:
EBRD new shareholder,
DEG reaffirmed presence



**Topic
of the issue:**
Meet Droga Kolinska

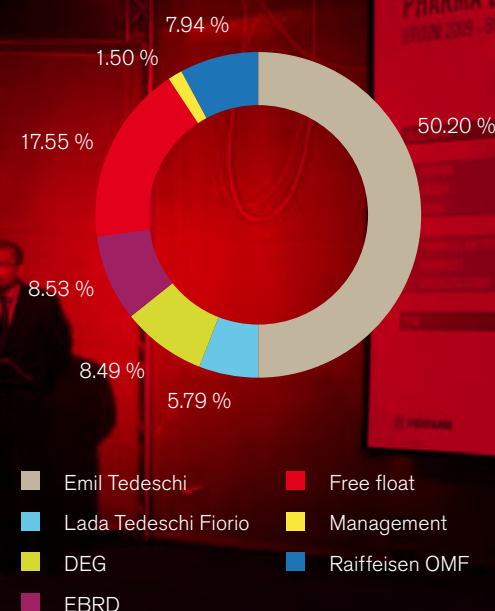


Special:
Female dragons
of distribution

EBRD NEW SHAREHOLDER OF ATLANTIC GRUPA, DEG REAFFIRMED PRESENCE



SHAREHOLDER STRUCTURE AFTER CAPITAL INCREASE



Atlantic Grupa successfully completed the process of capital increase, gaining a new shareholder structure and European Bank for Reconstruction and Development (EBRD) as a new shareholder. Upon the conducted capital increase, EBRD is the second largest shareholder in Atlantic Grupa, with a 8.53 percent share, whereas German development finance institution Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) reaffirmed its position as one of the largest owners with a share of 8.49 percent. Emil Tedeschi remains the majority shareholder with 50.2 percent of ownership. In the process Atlantic Grupa collected 84 million Euros of new capital.

„Having the two most significant European development institutions participating in Atlantic Grupa's capital increase proves our status as a trustworthy partner to international financial community. We are also proud to have strengthened our position as one of the chosen companies which gather all four Mandatory Pension Funds in Croatia among the first 10 shareholders.“, said Emil Tedeschi, CEO of Atlantic Grupa. „We are glad to see that the most relevant investors recognized Atlantic Grupa as an extraordinary investment opportunity, and acquisition of Droga Kolinska as a prudent strategy

for our company's long-term development. Our business activities, mutual synergies and common results will justify the trust our shareholders extended us“, he added.

EBRD, owned by 61 states, the European union and European Investment Bank, is the largest financial investor in public and private projects in 29 countries. In Croatia EBRD manages a portfolio of 1.2 billion Euros, and in the process of capital increase of Atlantic Grupa it participated with 27,58 million Euros. With an investment of 10,35 million Euros DEG, member of KfW banking group, a promotional bank under the ownership of the Federal Republic and federal states, remains the third largest shareholder in the company, and stipulates Atlantic Grupa as one of the largest individual investments of this institution, which manages a portfolio of 1.4 billion Euros across Europe, Asia, Africa and Latin America.

The process of capital increase was conducted in order to partially collect financial means for the acquisition of Droga Kolinska, with the consent of the Supervisory Board for the capital increase by issuing new shares.

HALF YEAR RESULTS

Steady income and profit growth of Atlantic Grupa



In the first half-year 2010 Atlantic Grupa achieved total income from sales in the amount of HRK 1.073 bn and the net income in the amount of HRK 77.8 m. The mentioned income is 1.4 percent higher than the value from the same period last year. Without one-time influences, net income increased by 8.2 percent to HRK 41.4 m, while the operating income before amortisation is 2.6 percent higher than the previous year when it amounted to HRK 89.5 m. The positive influence of one-time items refers mainly to the profit realised by the sale of the old production plant Neva.

The continuation of the profitability growth of Atlantic Grupa has been ensured by the Sports and Functional Food Division which registered profitability growth by reaping fruits of the restructuring process from previous years as well as from the growth of revenues from sale of Multipower brands as well as by the division Pharma which realised the strongest growth in the operating income of even 70.2 percent.

„Considering the continuation of very unfavourable macroeconomic trends in Croatia as

our biggest market we can be satisfied with achieved results as well as with the income and profitability growth. Despite the difficult economic situation, we expect to continue our business growth until the year end and thus achieve the business results that we announced at the beginning of the year. Recently effected acquisition of Droga Kolinska will ensure further business stability.

The transaction should be completed until the year end and it opens a big possibility for new synergies, savings and rationalisation in all business areas. Thanks to this greatest acquisition so far, Atlantic Grupa is becoming one of the leading food companies in the region with the respectable number of own brands, 4,300 employees and income of 4.5 bn kunas” said Zoran Stanković, Vice President Finance.

55 percent of total sales of the company are effected on the Croatian market, while 45 percent of sales are realised on international markets. Germany remains the biggest international market, while the biggest growth in sales of 20 percent - beside the Slovenian market which grew 2.7 times - was recorded in Italy. Own brands are represented in sales with 43 percent, distribution of branded products was represented with 38 percent, Atlantic Pharma Division with 11 percent while products that Atlantic Grupa manufactures as private brands for big business systems in Croatia and abroad make out 8 percent of the sales. After the acquisition process has been completed, the Croatian market will participate in the total result of Atlantic Grupa with approx. 30 percent and international markets with approx. 70 percent, whereas Serbia will be the second, and Slovenia the third important market in the consolidated income of the two companies.

The General Assembly of Atlantic Grupa



The General Assembly of Atlantic Grupa d.d. took place on June 17th 2010 in the Mimara Museum, Roosevelt square 5, Zagreb. The Chairman of the General Assembly Mr. Siniša Petrović and the General The General Assembly of Atlantic Grupa d.d. took place on June 17th 2010 in the Mimara Museum, Roosevelt square 5, Zagreb. The Chairman of the General Assembly Mr. Siniša Petrović.

In accordance with previously published agenda of the General Assembly, Atlantic Grupa made the decision on distribution of profit a company earned in year 2009., the notes of release to Supervisory and Management Board, acquisition and disposal of own shares and appointment of audit companies for 2010.

The General Assembly of the Atlantic Grupa has made decision that part of the net profit in amount of 20,974,829.50 HRK, proportionally to the number of shares owned by individual shareholders, is distributed to the payment of dividends, or 8.50 HRK per share.

Modernization of ICT processes in Atlantic

Two significant advances took place in the ICT department, which greatly improved the functioning of the respective departments. The first, a project lead by Human Resources and the ICT department, AtlantIS HR, which had two important results during May and June; a completed support application was launched for the needs of the HR department such as staff lists and managing the organizational structure, and in June, the production of a system for payroll calculations for all operative companies in Croatia was launched.

It is a very important project for both Departments in many aspects; on one hand, it is a significant advance for the work of HR, while for the ICT department it is a great step regarding the implementation of IT solutions that will be used for the needs of the entire Group. Another piece of news comes from Montana, which switched over to the Konto system where the old business system was replaced with the implementation of a series of new functions, including field support through an HHT device (modeled after the AT), which helped achieve a greater functionality. In other news, at the distribution center in Split a WMS (warehouse management system) has been implemented, which has automated the work of the warehouse, while the distribution center in Rijeka has recently started work at a new location, where the ICT department played a very important role in the move of the total computer-communication infrastructure and preparing the work systems at the new location.



I.Velimirović, N.Gembarovski, A.Jožinec, J.Radojčić

CEDEVITA ICE TEA:

Peach, Cranberry and Pomegranate, Rose hip + vitamine C

For this summer Cedevida has prepared a new refreshment- Cedevida ice tea! Together with Cedevida GO! in orange and lemon flavour, this summer you can also find Cedevida ice tea that contains black tea extract, that only have top products in the segment of ice teas.

All of the teas have top organoleptic characteristics; widely popular peach scent and taste, passionate red color and intoxicating taste of cranberry and pomegranate or sophisticated and unobtrusive taste of rose hip with Vitamin C all of which are strong arguments for great affirmation on the market. Sunčana Turčin, technologist for product development was in charge of launching this project or in designer terms creating tastes, scents, colors and all other characteristics that attract the thirsty consumers. Vesna Malnar, expert for process control and Lorens Flegar, Head of production were responsible for putting the teas in regular production.



Ulcodyn 75mg effervescent tablets

Ulcodyn 75 mg effervescent tablets are intended for successful 12 hour-lasting prevention and resolution of gastric symptoms. They are the very first, one and only effervescent tablets intended for resolving gastric complaints, preferred in particular by the persons having trouble swallowing and the persons reluctant to use "ordinary" tablets; in addition, some studies have proven these effervescent formulations to act more rapidly and be better tolerated. Ulcodyn 75 mg effervescent tablets also taste pleasantly, so that they are recommended for use in each person who wants to enjoy his/her food symptom-free.



Fidiprofen

Fidiprofen effervescent tablets are unique on the Croatian market because they are the only ones that contain dl-lysine ibuprofen as their active substance, an extremely fast-acting form of ibuprofen and they are also the only effervescent tablets with ibuprofen on the Croatian market.

Taking into account those two characteristics, Fidiprofen effervescent tablets represent the medicine of choice for relieving different types of pain (headaches, toothaches, menstrual pains, muscle pains, rheumatic pains) when we want a fast and instant effect. As with other forms of ibuprofen, Fidiprofen quickly and effectively lowers increased body temperature.



Centravit postnatal

Centravit® postnatal is a new vitamin-mineral product which contains 17 of the most important vitamins and minerals for the health of mother and child. The formula is rich with calcium, vitamin B group, iron and other nutrients important in order to protect bones and give energy during the exhausting period after childbirth and throughout the nursing period. This product is special because of its shape; bags that contain vitamin powder that must be mixed in a glass of water before drinking. Not only are mothers making up for their lack of vitamins, they are also intaking liquids which are inevitable for producing milk.

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Fibralgin C effervescent tablets

They are primarily intended for the alleviation of flu and cold symptoms and body temperature lowering, but also for killing pain of various causal backgrounds (headache, toothache, rheumatic pain, menstrual pain). Due to their wider dosage scope, they can also be used by children over eight and pregnant and lactating women, but also by every person hypersensitive to salicylates. Fibralgin C effervescent tablets lack any decongestive ingredients; therefore, they can also be recommended as symptomatic cold therapy in persons otherwise having contraindications for the aforementioned substance administration. These tablets also taste pleasantly and act rapidly.



Ginko omega

Circulation and memory problems are the most common health problems for the middle aged and elderly so the products that contain extracts of ginkgo or omega-fatty acids are amongst the most wanted in the category of food supplements.

Answering consumer needs, Dietpharm has succeeded in developing a product which in 1 capsule contains the clinically proven effective substance: standardized Ginkgo extract, omega-3 fatty acids and vitamin B group. Ginkgo, DHA and vitamin B group are complementary and together they contribute to improving circulation and maintaining the brain function. Ginkgo omega capsules are recommended in cases of bad circulation in arms and legs (cramps, pins and needles, feeling cold in your arms and legs), not enough blood flow in the brain (dizziness, headache, bad memory and hearing a buzzing sound in your ears) and at bad circulation in neck vessels (bad hearing).



Rosal's new face

The Consumer Health Care Division with its leading cosmetic brand Rosal has developed a new visual identity for its facial care products. By strengthening the already existing logo with a silver wave, Neva marketing launched a new Rosal brand vision, by making a more visual and recognizable Rosal brand. With help from all the other departments, especially from the Packaging and Research and Development Department, in an amazingly short amount of time 20 new packaging items had been developed with three basic facial cream lines; Rosal Hydro Fresh, Rosal Face Fit and Rosal Classic. A new line for universal facial cleansing designed for each age group and skin type was made; day, night and eye care creams, some of which were innovated and some completely new. A new line Rosal Clear Face for young and problematic skin is being prepared for the autumn.



The new products functionality was communicated through the lines names, and the age groups which the lines are made for were marked vividly with the aim of having a better position with the market leaders.

The lines are made for women of all ages, from young ones to those women who are faced with their first wrinkles and those who have mature facial skin.



The New Rosal Corona

Corona nail polish remover is a product from the cosmetic segment of our Consumer Health Care Division which has recently been additionally strengthened by appearing under the innovated brand Rosal, as well as by its redesign and more attractive packaging. The new, trendy product is Rosal Corona without acetone which proves that a nail polish remover doesn't have to have an unpleasant odor, as well as the oily Rosal Corona with vitamin C. Corona acts gently, efficiently and nurtures, cares and revitalizes nails and cuticles at the same time.

New and unique product - Melem stick

For the first time, after more than 30 years of existence on the market, Melem presents a new, unique product, Melem stick. Melem stick allows for easier use and is hygienically more acceptable, and it has also answered the ever-greater market demand for new innovative products. Melem stick contains its unique, gentle formula that will give you intensive lip care and protection.



Rosal Lip Balm - Summer Dream

ROSAL LipBalm made sure the sun, sea, and beach could be enjoyed without a care in the world with the new member to its portfolio, a true summer refreshment – ROSAL LipBalm Summer dream, limited edition. For all fans of fruity summer aromas, this product will be a real treat because it contains tropical fruit in its formula which also protects lips from dryness, it hydrates and softens them. Its soft texture will give you a feeling of freshness and hydration in the long summer days and offer a unique feeling of softness and sensuality. The refreshing and pleasant aroma of tropical fruit gives lips shimmer and shine.

Ralon Sensitive, after shave balsam

This summer Neva's cult brand Ralon with a redesigned line offers its consumers a new product, after shave balsam. This balsam's part within the after shave category is increasing with an excellent ratio of price and quality. Ralon Sensitive will without a doubt easily find its way to consumers. Ralon Sensitive contains calendula and chamomile extract with provitamin B5, soothing irritation caused by shaving, it acts anti-inflammatory and stimulates the regeneration of damaged skin. The new balsam also has a fresh cooling effect making each shaving ritual more comfortable.



New dental supplies from Plidenta

Plidenta is the first on the market to appear with 5 new products in the dental supplies assortment: dental toothpicks with floss, inter-dental toothbrushes and travel tubes. The new products developed under the Plidenta brand quality control create an additional advantage of Plidenta in comparison to the competition and strengthen its image with the consumers as a "home dentist", that is, an expert in the field of oral hygiene and health.

Dietpharm

ATLANTIC'S NEW SUPERBRAND

Dietpharm, the leading brand in the field of nutritional products, received another award - CROATIA Superbrands 2010, which places it amongst the top brands in Croatia. The international advertising agency Superbrands, the global authority for branding, which works in 55 countries worldwide, published the official results of the vote of the Croatian expert committee. The votes of the expert committee, which consists of 65 members who are recognized advertising and business experts, combined with the votes of more than 23000 consumers, which gave an additional importance to the results.

That recognition is a great reward for the 25 years of effort put in by Dietpharm into the development of products based on the latest scientific achievements and produced according to the highest demanded pharmaceutical standards.

In receiving this award, Dietpharm joined Atlantic's other brands with the status of Superbrands - Cedevita, Plidenta and Melem. When the brands from the distribution portfolio are tallied up, the total number of Superbrands produced and distributed by Atlantic Grupa adds up to 11.



DIETPHARM

Directors of the Regional Distribution Centers announce: "Our female colleagues aren't just women behind the wheel - they're real Distribution dragons"



Colleagues from DC Varaždin

They never dreamt they'd one day find themselves behind the wheel of a van, and today they're the pride of Distribution who are described by their colleagues as devoted, responsible, professional and in many ways better than their male colleagues. They are the dragons of Distribution – Atlantic's team who works as sales promoters, commercial representatives, commercialists and heads of the commercial representatives.

"Besides the fact that they stand out with their excellent results, they are responsible, full of spirit, team players, and they know how to have fun too" says Dražen Plic, director of DC Varaždin, of his colleagues **Maja Huzjak, Ivana Klasta, Gordana Markotić, Kristina Mikac Hunjadi, Alenka Posavec, Dunja Rogina, Maja Toplak, Željka Vincek, Valentina Zagorščak and Vedrana Zajec.**



Sanja Žuželj



Katica Grigić



Anita Deskar

Most of them started their careers in sales promotion, slowly advancing and gaining more responsibilities.

"Even though my name is Sanja (Dreamer) I never imagined I would one day drive such a big van. Still, after several years with the company, they gave me the keys to such a vehicle and I've been handling it well for four years" said **Sanja Žuželj** from Pula.

Five years ago, **Katica Grigić** was the first female commercial representative for the HoReCa channel in DC Osijek, and today she's a commercialist. "My recipe for being a dragon-lady is to be persistent, responsible and honest. I am successful because I'm doing a job I love and it suits my character", stresses Katica.

Kristina Španić, Snježana Carević, Dea Stamatović, Ivana Milišić, Lucijana Maras i Anita Buljubašić from Split tell their male colleagues they are wimps because every one of them has at least once said he was hot, tired or under stress. "Even though they look fragile, these masters have the strength, will and persistence, and they are hard-working, reliable and systematic unlike any man", boasts **Gabrijelo Kukoč**, director of DC Split of his "Amazon women".

A Distribution veteran in her own right, **Anita Deskar** from Osijek started her career 14 years ago, advancing to the position of commercialist and head of sales promotion.

"In working for Atlantic for a number of years, I gained a lot of experience which I now pass on to younger generations, creating a successful team of young people. I encourage professionalism, trust, openness, and responsibility for achieved results" says Anita, confirming that the future of Distribution is in safe hands in which successful dragons of Distribution are being modeled – males too, of course.



Who drives this van?

March 1, 2007, a day, which is still fresh in my memory. Eight o'clock in the evening, and a pitch black night. I just arrived from Rijeka where I picked up the van and goods and parked in front of our house. My children (a daughter and two sons – then aged 13, 12, and 7) came out of the house and looked at the van in awe. My sons were thrilled, excited and proud, and they had a hundred and one questions. My daughter was quietly thinking off to the side. I went up to her and asked her, slightly worried: "What's wrong Nina, why are you sad?" "Will that van always be parked in front of our house?" she asked.

"Yes, it will, every day when I come home from work", I answered not understanding the problem. "Mom, you know, if one of my friends asks me who drives that van, I'll say it's Dad."

She left me speechless. She expressed aloud what scared me: How would I, up until yesterday dressed in dressy clothes and high heels, suddenly jump into a van? The challenge and the need were stronger.

Mirta Dmitrović, DC Rijeka



DC Split - D. Stamatović, I. Milišić & L. Maras

ISTRABENZ AND ATLANTIC SIGN THE SELLING OF DROGA KOLINSKA



Management board of Atlantic Grupa

Istrabenz PLC and Atlantic Grupa PLC at July 1, 2010 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.



Representatives of financial community on contract signing

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 Cedevisa, Argeta, Barcaffa, 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 Serbia being the strongest markets.

DROGA KOLINSKA

IN NUMBERS

employees: 2.598 employees

production segments: 7 (coffee, water and non-alcoholic beverages, delicatessen spreads (patés), chocolates, sweet and salty program, baby food)

revenue (2009.): 328 million euro

production plants: 14

- Izola SLO (Argeta, Barcaffa)
- Rogaska Slatina SLO (Cockta, Donat Mg, Tempel, Tiha)
- Mirna SLO (Bebi)
- Jastrebarsko HR (outsourced)
- Novak HR (outsourced)
- Sarajevo BiH (Argeta)
- Glavičiče BiH (Grand kafa)
- Hadžići BiH (Argeta)
- Smederenska Palanka SRB (Cockta, Donat Mg, Karađorđe)
- Beograd SRB (Grand Kafa, Grand Pleasure)
- Beograd SRB (Soko Štark)
- Ljubovlja SRB (Soko Štark)
- Skopje MK (Grand Kafa)



Z. Adrović & K. Weinfurter

MEET THE BRANDS OF Droga Kolinska

Cockta

The drink of generations

Cockta is the most popular non-alcoholic soda drink in Former Yugoslavia, which many generations of youth grew up with. Cockta is the regional version of Coca-cola, but unlike it, it doesn't contain caffeine nor phosphoric acid. It was created in 1952 when inventor Emerik Zelinka mixed pomegranate fruits, vitamin C, various herbs and caramelized sugar, and called it a cocktail. Cockta was introduced to the public for the first time in Planika in 1953, and approximately one million liters of Cockta were produced in the first year. In the first 14 years of its existence, Cockta sales grew 25% annually. In the early 1980s, Cockta reached record sales of 37 million liters annually.



Argeta

Number 1 amongst patés

The production of Argeta paté, under another name, started in 1957 in the Droga factory, and at the time it was packaged in lithographic cans. Argeta received its current name, which today is a synonym for the best, tastiest and healthiest paté, in the late 1970s. In the early days, only chicken paté was produced and over a period of 30 years (from 1969 to 1998) sales of the evermore popular product increased by 1500%. Over time, Argeta received a new image. The most recent packaging and design change made Argeta more attractive and enticing from the outside as well, and four new flavors joined the existing ones: turkey, beef, chicken liver and Junior patés. Since 2003, three new

flavors have made their way to the market: Argeta Light, Argeta Halal and tuna paté, which experienced great success with all fans of fish spreads. That is proven by the fact that in July of this year, Argeta's tuna paté received the Superior Taste Award 2010 from the International Taste & Quality Institute (iTQi) from Bruxelles.



Barcaffè

Cedevita's twin - 40-year-old tradition

The Barcaffè brand is one of the best-known regional brands, which is almost an integral part of life in Slovenia where this coffee is drunk by every other Slovenian man and woman. The story of success and loyalty started in 1970 when Barcaffè appeared in stores and at about the same time became the most common gift from the retail assortment. Atlantic's Cedevita saw the light of day the same year. For a long time, Barcaffè's palette of products was carefully expanded and so today they cover all the necessary coffee needs and distribution channels. In 2007, a survey done by Readers Digest revealed that of all the coffee brands, Slovenian consumers trust Barcaffè the most.



Donat Mg

100 years of tradition

In 1908, Dr. Joseph Knett, head geologist in Karlovi Vari discovered a stream in nearby Rogaška Slatina that was the main source of mineralization, the purity of the water was extraordinary with a high magnesium content. It received its name from the nearby, and in Rogaška Slatina terms, significant mountain – Donat. Due to its chemical make-up, physical characteristics, and medical discoveries, this water is used therapeutically and preventively (for heartburn, stomach and gall bladder ailments, for constipation, for stress – to relax and calm, for depression, for headaches). Donat Mg is soluble in Donat Mg mineral water so that the metabolism need not overexert itself to dissolve it and transfer it to cells that need it.



Smoki

Unique in the world of flips

Smoki is the first flips produced in Southeastern Europe. It was created in 1972, and for many snack lovers it was and remained the number one flavor of flips. Since its very beginnings, Smoki has enjoyed an incredible popularity, and the "open-window" packaging, seen for the first time on our market, became a huge hit. The design hit of the time was the result of hard work by Štark's design team. The original recipe has remained the secret to Smoki's success, and specific by all characteristics, the Smoki taste is unique in the world of

flips. A new technology has been used in the production of flips since 2005, adapted to the demands of new quality standards, and a slight redesign and visually adapted new packaging material is present – aluminum foil.

INTERESTING FACT: If there are an average of 120 flips per package, that means that in 2008 almost 14.5 billion Smoki pieces were produced – 3 for every citizen of the planet.



Najlepše želje

More than fifty years

Najlepše želje chocolates are made from exclusively natural ingredients – cocoa, cocoa butter, milk, sugar and...nothing else. Nothing else? This is where the magic lies. The special texture and the long lasting taste gives "Najlepše želje" chocolates the luxurious note that blows you away. For sweet lovers incredibly luring, for cooks, a precious ingredient with fascinating results, and so it has been for more than five decades.

INTERESTING FACT: Did you know that a square of chocolate has 2 calories?



Grand Kafa

The youngest and the biggest

Thanks to the enthusiasm for, attention to and love for coffee, the first private brand of black coffee – Grand kafa – was created in Serbia in the 1990s. It all started in late 1997 when Slobodan Vučićević established Grand kafa with the desire to create a regional brand of excellent quality. Within a few years, thanks to the excellent and constant quality and originality, Grand kafa gained the trust of millions of coffee lovers and became the leading brand in the region, and since its launch it has held the leading position of the coffee market in Serbia.



Banatica

A nutritional sweet

The first banatica was created way back in 1938 when the innovator Franjo Vaja received 1,5 dinars from the government at the time as a reward for the new product on the market. The shape of the banatica hasn't changed since it was first created, while the quality improved with each new innovation in the production process. The specificity of the Banatica remained a "little secret" which is definitely recognizable in the sea of similar desserts on the market. It is produced with high-quality, natural ingredients, covered with chocolate coating with a cocoa content of 54%, with the addition of agar-agar.

INTERESTING FACT: Agar-agar is made from algae, used for gelling and gives the

Banatica its well-known foamy structure, so it isn't just a sweet, but also part of a healthy diet.



Bebi

Everything for your child's health

Bebi cereals are created for infants and young children. Droga Kolinska's brand of children's food is number one on the Russian market, and is also available in Belarus and Kazakhstan. The food program is divided into six categories: children's food, children's teas, baby food, children's juices, water and meat purees.

Bebi baby food is enriched with minerals and other substances useful for children: it is rich in iron, it contains iodine needed for brain development as well as calcium which is an indispensable element in the creation of bones and teeth. Bebi includes 32 types of cereals, several types of teas, baby food which can be used as a main meal for infants as well as a nutritional supplement, many juice flavors (apple, peach, apricot, pear, carrot, etc.) and meat purees for infants older than 6 months.



ABC/10

ATLANTICBRIJUNICONFERENCE

This year, Atlantic's Brijuni conference, in the thirteenth year of its visit to the island, passed under the sign of excellence – both in a business context, as well as in the entertainment portion of the program. Over the two days of the conference, in the sunny surroundings of one of the most beautiful national parks in Croatia, 700 conference guests had another chance to learn something new about the company, summarize business results, hear announcements about business plans, but also, as always, have fun and enjoy the excellent musical program. Each part of the program was another source of motivation for the continuance of the business year.



B. Slovnik, G. Šturm & V. Filipovski



DC Varaždin team



ABC and their legendary frontman Martin Fry

The first day of the conference on the Byzantine Castrum was launched by the namesakes of the Atlantic conference, the British band ABC, led by the legendary Martin Fry, who, over the course of the concert which lasted over an hour, led the Atlantic team through their greatest hits – "The look of love", "Poison Arrow", "Tears are not enough" and many more, reminding guests of



A. Previšić & G. Gačina



L. Flegar, I. Pavelić & I. Cerovečki



N. Skenderagić, M. Miliša, M. Mamić & Z. Brekalo



Multipower tim



SMS Deutsch

the distinct musical style of new romantics who led the scene in the 80s. After ABC, the atmosphere was heated up further by the domestic dj sms deutsch, continuing on the series of excellent dance music.

Saturday's conference started with an introductory speech from the Senior Vice President for Business Operations Mladen Veber, after which the vice presidents and representatives of Atlantic Grupa divisions filled the first portion of the work conference with extremely

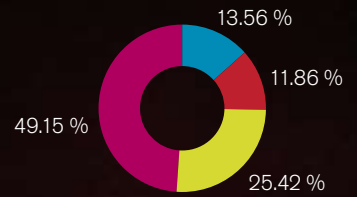
interesting presentations. The theme of the work portion was excellence, which through a series of examples from practice, but also examples of their performance, was presented by Vice Presidents Srećko Nakić, Marko Smetiško, Tomislav Matusinović and Zvonimir Brekalo, and the program was continued on by excellent presenters from the individual divisions – Miroslav Petrić from Distribution Division, Lejla Dautović Čaić from Consumer



Pharma Division



Z. Ravlić, A. Plenковиć & J. Matulović



3M: M. Grbin, M. Berisavić & M. Bolant

room for improvement.

The inspirational guest of this year's conference was Stipe Božić, the world-renowned alpinist, professional director and volunteer member of the mountain rescue service, who used his rich presentation to additionally inspire those present. He shared his thoughts on motivation, team importance, goals, family and always reaching new



E. Tedeschi & S. Božić

Health Care Division, David Hannah from Sports and Functional Food Division, Arijana Meštrović from Pharma Division and Ana Jožinec and Petra Wolle from Human Resources who, through their presentations, led the Atlantic team through the total spectrum of operations, and emphasized all the achievements in their team's fields, while also noting the segments where there is



Petra Wolle



N. Pita & M. Petric

ON ATLANTIC BRIJUNI CONFERENCE THE BEST WAS:

- ABC concert
- conference
- sports afternoon
- Bajaga concert



Winning team



Great atmosphere...

peaks with the Brijuni conference. The presentation, together with previous presentations, additionally inspired the traditionally last speaker, President and CEO Emil Tedeschi, who elicited a hearty applause with his inspirational speech after a long morning. Saturday's program continued on the sports fields, where the ladies played dodge ball, where the winning team



...on team building



Atlantic athletes

was Distribution, while in the men's football tournament, the Cedevita team triumphed. The two-day event ended Saturday evening with spectacular fireworks on the Brijuni beach Salege, where Bajaga and Instruktori held an excellent performance, with their well-known ballads and lively hits, and ended the stay on Brijuni in the best possible way.



Ralon - the best team building commercial

HACCP in practice

According to the Food Act, all subjects in the food business are obliged to act in accordance with the HACCP system, and one of the basic demands is continued education. Since that system is implemented throughout the Atlantic Grupa, including the Distribution Division, which successfully certified it at the beginning of the year, an HACCP workshop was held, organized by the Quality Assurance and Human Resources Departments, for 44 employees from all divisions together with new business partners (representatives of licensed producers).

After an introductory seminar held by Executive Director of Quality Assurance Natalija Fink, work groups were held, lead by Andrina Cvitaš Penzar and Ana Šušković, with the aim of sharing concrete experiences in practice. The workshop was rated very useful, and the participants gave a series of suggestions where they emphasized it should include a wider circle of employees and that this practice should become tradition.



Atlantic at the 4th Croatian Congress on Pharmacy with International Participation

At the end of May, Atlantic Farmacia had the chance to participate for the first time in the pharmaceutical congress in Opatija, which is held in Croatia once every five years, and this year, the 4th time, the Croatian Congress on Pharmacy with International Participation. The congress gathered more than a thousand participants and representatives from Atlantic Farmacia were represented in the expert portion with four professional lectures held by Atlantic's pharmacists Ana Gjergja and Kristina Gašpar, as well as the head of the Education center and Competence Development Arijana Meštrović in the area of pharmacy. Atlantic's pharmacists Tihana Ivanković and Tea Holiček, joined by Ljerka Jurić, head of ZU Farmacia had a presentation in the poster section and representatives of Dietpharm and Neva were especially noticeable on the presentation portion with attractive and well visited exhibition booths.



Pharma Division representatives

Fidifarm and Melem at the fifth Congress of pharmacy technicians

The 5th Congress of Pharmacy Technicians in Mali Lošinj in April gathered around 500 participants where Atlantic's Melem presented itself and Fidifarm presented its leading brand Dietpharm and the novelties from OTC segment. Atlantic's Pharma Division representatives presented a new OTC medicine Ulcodyn 75 mg, ana Natalija Kanački, Head of the Medical Pharmaceutical Service, also held an educational lecture on the topic: „Ginkgo, omega-3 and vitamin B group-an efficient combination for circulation and memory“. Melem participated at the Congress at a booth where Consumer Health Care Division representatives Ivana Les, brand manager and Kristina Šikić, trainee from Cosmetics Marketing introduced participants to the advantages of this universal cream and its wide usage.



I. Les & K. Šikić

Atlantic's jubilee awardees

Atlantic team members who celebrated their double-digit anniversary of working for the company gathered together in mid-June to celebrate their anniversary together. They were joined at this formal event by the Vice-president for the Distribution Division, Srećko Nakić, Vice-president for the Consumer Health Care Division, Tomislav Matusinović, and Executive director of Human Resources Ana Jožinec who awarded them proper awards and certificates. The vice-presidents used the formal event as an opportunity to thank the anniversary celebrants with respectable work experience, a total of 106 of them, for their long-term contribution to the development and success of Atlantic Grupa.



Atlantic jubilee members on the ceremony

Your Personal Pharmacist, Farmacia's new service

In order to continue improving services and strengthen the role of the pharmacist, Farmacia pharmacies have introduced a new service – the Personal Pharmacist. Atlantic's pharmacists will advise and answer all questions concerning the usage of medica-

tion and therapy prescribed by a doctor. The pharmacists will also gladly consult about self-treatment, prepare boxes for weekly dose of therapy, and also advise you on how to quit smoking, regulate body weight and physical activities as well as help you with a choice of dermo-cosmetics. Farmacia's pharmacists invite you to trust them and make an appointment for a consultation with your personal pharmacist.



M. Lozica

Zvonko Brzak Atlantic Farmacia's Director

Pharma Divison



Zvonko Brzak joined Atlantic's division Pharma as the Director of Atlantic Farmacia in the middle of April. He is an expert with envious experience in the pharmaceutical industry. This graduated pharmacist began his career in Pliva's Research Institute, advancing rapidly from the marketing department to the position of a sales representative for the Czech and Slovak market, after which he moved to the Croatian branch of the pharmaceutical giant GlaxoSmithKline. In Glaxo he marks his career path from travelling salesperson, sales development manager, regional manager working in Glaxo's branch offices in Serbia and Bosnia and Hercegovina, in the end working his way up to the position of sales development manager for the Adria region which consists of Croatia, Bosnia and Herzegovina, Macedonia and Albania, after which he joins Atlantic's team.

He has gained a lot of experience in the pharmaceutical industry over the years and has tested his knowledge in sales which is in synergy with Atlantic's vision of developing the pharmaceutical field through today's biggest private pharmacy chain Farmacia as well as developing its own distribution through Farmacia's wholesale.



Srećko Nakić Observer in Droga Kolinska

Miroslav Petrić Takes over Distribution Division

Upon Atlantic Grupa's selection as the best bidder in the tendering process for the acquisition of Droga Kolinska, and after the acquisition was publicly announced in Portorož - making Atlantic one of the leading food companies in the Southeast of Europe, Atlantic Grupa was granted the position of an official observer in the company that is joining our system in the period before final closing. Srećko Nakić, Vicepresident for Distribution Division, was appointed to the position of Atlantic's observer, in charge of monitoring and in-depth due dilligence of business operations in Droga Kolinska until the finalization, which is expected in October. During this period, Miroslav Petrić, Executive Director of Sales in the Distribution Division will take responsibility for the management of the Division. The observer's position is extremely important in the period before



the closing of transaction and inclusion of Droga Kolinska into Atlantic's system, in order to make due preparations for the successful integration of businesses after the takeover. In order to fully utilize the synergies of the two companies in the best way possible, and on all levels, one must study the very details of business organization and management of the Atlantic Grupa's new member, on all of its markets. At the same time, in addition to the responsibility for successful finalization of the takeover, undisturbed functioning of the regular business operations in all business segments of Atlantic Grupa needs to be ensured, as well as in the Distribution Division whose Vicepresident Srećko Nakić is taking over an important task in concluding the acquisition. The responsibility for managing the business of Distribution Division is hence taken over by Miroslav Petrić, an experienced member of Atlantic's management with a broad knowledge of the technology of sales and distribution operations, excellent knowledge of organization and developed relationships with all business partners of Atlantic Grupa.

Feđa Hudina Director of Internal Communication and Projects

Feđa Hudina, up until recently the head of projects in Corporate Communications, has been promoted to the position of Director of Internal Communication and Projects.

During the process of functional reorganization and specialization for certain fields, he took over the management of internal project and communication channels at the Group level.



Feđa Hudina joined Atlantic in 2006, and before coming to the company he worked as Assistant to the Editor-in-Chief of

Business.hr responsible for the internet edition, prior to that he also worked at journalist and editorial positions in business magazines, Poslovni dnevnik, Poslovni tjednik and Jutarnji list.



Tomislav Maričić, redesign author

New design for legendary Ralon

Ralon, Atlantic's legendary brand and the second most sold aftershave in Croatia has received a new look after almost twenty five years of the same package. A new, fresh and modern design has kept its traditional distinctive and recognizable packaging, but received new typography which will give our long-term consumers and those who will begin to use our product a sense of tradition and freshness.

"Our legendary Ralon has received a new look, its author is a student from the Faculty of Graphic Arts in Zagreb, Tomislav Maričić, who also won at the Student creative workshop CROPAK 2010. We decided to do the redesign project of this cult brand which has been known by generations of men, in a somewhat unconventional way in cooperation with the Institute of Packaging and Graphic Arts

and Tectus company. Through a student workshop we intended to promote the idea of social responsible business and allow students to work on the project with the aim to educate and encourage students. Working on concrete examples that will live on the market and working on presentation skills which in the end will open the door for students in the business world" said Lejla Dautović Čaić, Cosmetics Marketing Director.

"I didn't think that my work was perfect, but the mentors were really nice and guided me down the right path. This project was extremely useful for students. It helped them gain experience which will be necessary once they are employed", said Tomislav Maričić competition winner who loved the opportunity to be able to communicate with professionals from the business, as well as a chance to work on a professional project.

Cedevita GO! on summer tour

The Consumer Health Care Division formed an event team which travels through continental and coastal Croatia with the newest branded expandable promotional-retail event vehicle representing Cedevita GO! at the most attractive locations and events. The event vehicle also presents the new visual identity of Cedevita vehicles. During June and July, event team participated in series of events, like International children festival in Šibenik, Fireworks festival in Zagreb, Days of Ivanić Grad, etc. where Cedevita GO! realized great promotional and sales success. "We will participate at numerous cultural, sports and other events with our vehicle and I don't doubt our consumers will recognize this initiative and that as of this summer, Cedevita GO! will be the number one drink", commented Majda Berislavić, head of Cedevita Marketing Services and event team coordinator.



Event team and Duje Draganja in Šibenik



Marko Tolja with Cedevita just before musical

Part of a musical For old times sake

In May, as one of the sponsors of the musical Za dobra stara vremena (For old times sake), Cedevita GO! was part of the musical cast that offered refreshment with its nine vitamins, and in the show, which takes place in the early 80s, Cedevita was an irreplaceable detail as part of an era when, like today, it was the traditionally favorite vitamin drink in all households. The musical gathered a crowd of 13 thousand spectators in the Zagreb Arena, which also secured a significant display and promotional effect for Cedevita GO!, and before the show, the lead actors, Marko Tolja and Zrinka Cvitešić readily posed with their favorite summer drink.

Atlantic SUPPORTS YOUNG FILMMAKERS IN SARAJEVO

Atlantic Grupa with Cedevita, one of its best known brands, one of the strongest brands in the region, and this year an already traditional sponsor of the Sarajevo Film Festival, which has developed into the most influential regional film manifestation and significant cultural event, but has also become a globally relevant brand and a great affirmation of the region worldwide. Once again this year, Atlantic is the official sponsor of the program "Sarajevo City of Film" which has the goal of supporting the development of and promoting the new, young film scene in the region. It is Atlantic's intention to encourage and motivate the cooperation of young film directors from Southeast Europe with screenwriters, producers and actors in the realization of joint projects.



Gabrijela Kasapović on SFF presentation