ATLANTIC GRUPA

Acquisition of Droga Kolinska

July 2010

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CONTENT

BUSINESS MODEL

DROGAKOLINSKA

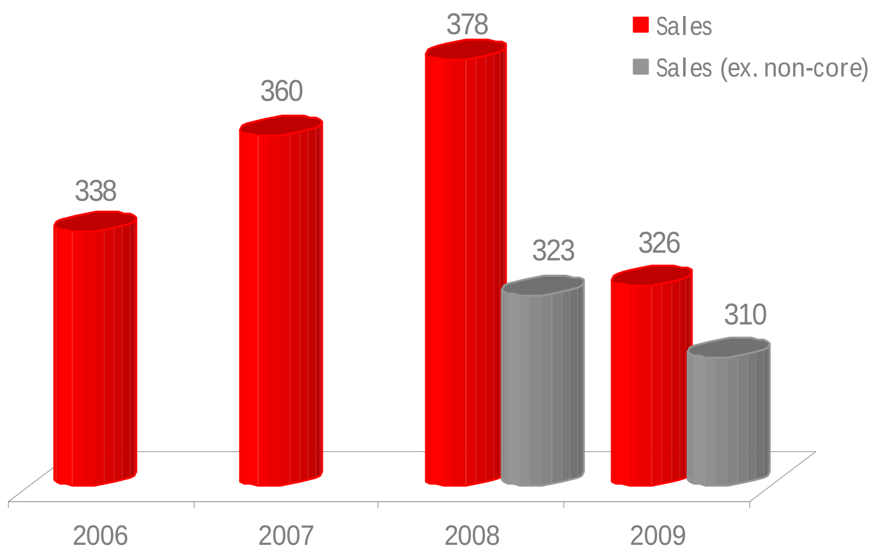
FOOD & BEVERAGES COMPANY

Group sales: 325.8m EUR

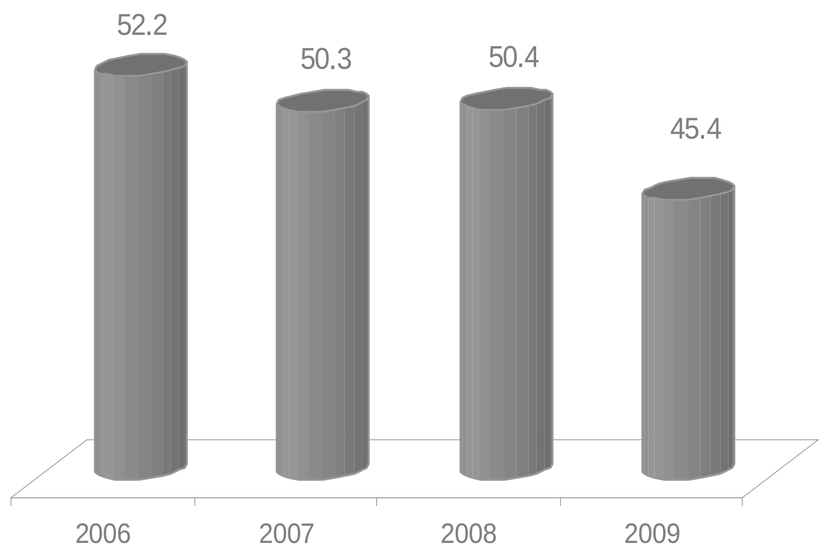
Coffee	Soft drinks	Spreads	Snacks	Baby food
Sales: 126m EUR	Sales: 39m EUR	Sales: 56m EUR	Sales: 73m EUR	Sales: 15m EUR
Turkish coffee	Carbonated soft drinks	Meat spread	Extruded & baked snacks	Cereals
Espresso coffee	Functional water	Fish spread	Chocolate & bars	Jars, water & tea
Instant coffee	Bottled water		Biscuits & wafers	Milk formula & juices

DROGA KOLINSKA'S BUSINESS MODEL DEVELOPMENT

Sales EURm



EBITDA reported EURm



<u>No. of employees</u>

3,525 3,274 2,953 2,598

<u>Sales per employee (EUR)</u>

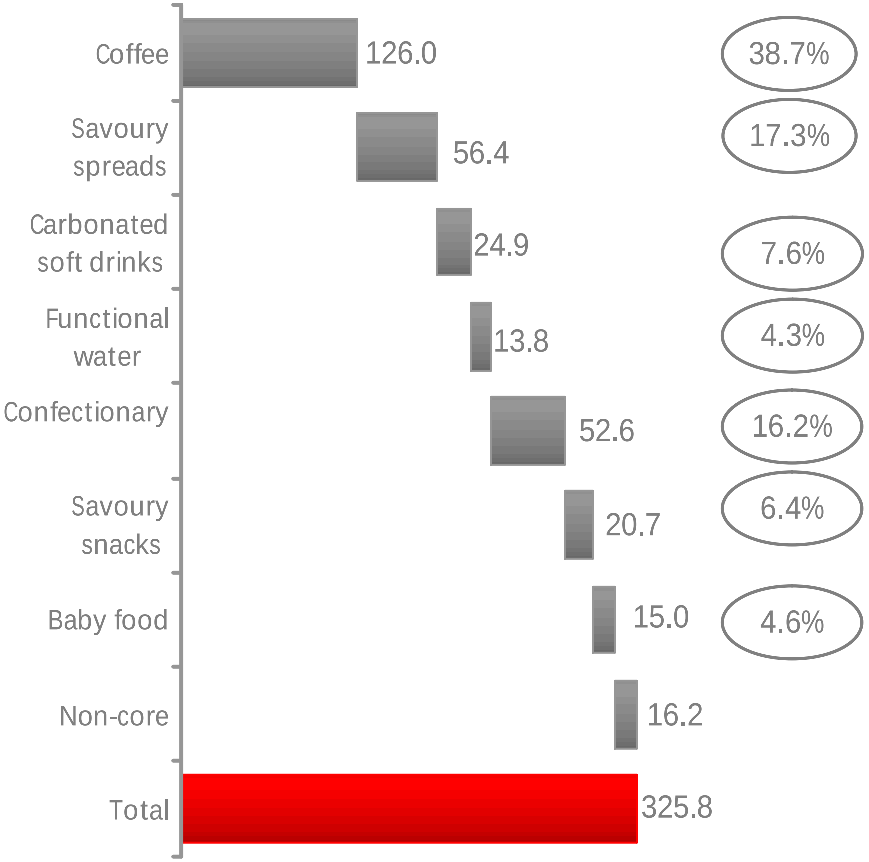
95,846 110,067 127,911 125,391

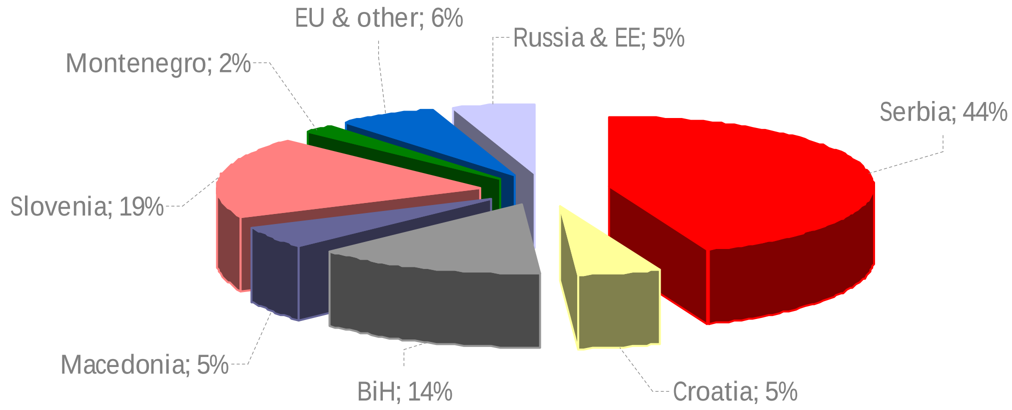
<u>EBITDA margin evolution</u>

15.4% 14.0% 13.3% 13.9%

SALES PROFILE

Sales by product categories, 2009 EURm | % of total | Geographic sales profile, 2009





Key markets: ex-Yugoslav region comprising around 90% of Group sales

OVERVIEW of MARKET POSITIONS

	Coffee	Snacks	Confectionery	Spreads	Carbonates	Baby food
Slovenia	#1 Turkish c. #3 Instant c.	#2 Extruded s.		#1 Savoury s.	#2 Cola carbonates	
Serbia	#1 Turkish c. #3 Instant c.	#1 Extruded s. #2 Baked s.	#2 Choco tablets #2 Bars	#2 Savoury s.	#3 Cola carbonates	
Croatia				#3 Savoury s.	#3 Cola carbonates	
BiH	#2 Turkish c.	#2 Extruded s.	#2 Choco tablets	#1 Savoury s.	#2 Cola carbonates	
Macedonia	#2 Turkish c.			#1 Savoury s.		
Russia						#2 Dried baby f.

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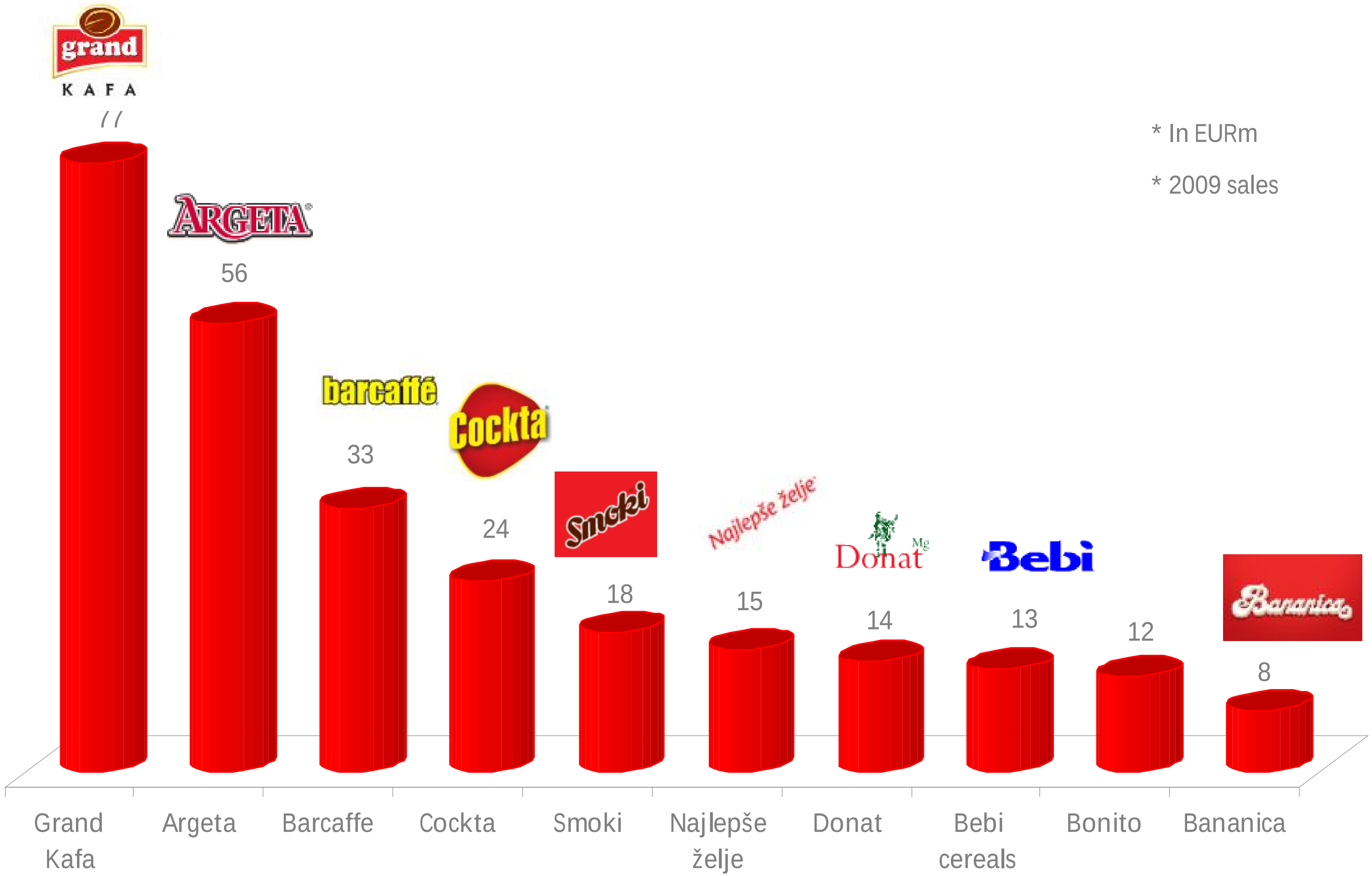
10 BEST SELLING BRANDS



* In EURm

* 2009 sales

PRODUCTION PLANTS OVERVIEW

Category	Location
COFFEE	Macedonia (Skopje) Serbia (Beograd) BiH (Glavičiće) Slovenia (Izola)
CONFECTIONARY & SNACKS	Serbia (Beograd, confectionary) Serbia (Ljubovija, snacks)
SPREADS	BiH (Hadžići) Slovenia (Izola)
CARBONATED SOFT DRINKS	Serbia (Palanački Kiseljak) Slovenia (Rogaška)
MINERAL & FUNCTIONAL WATER	Serbia (Palanački Kiseljak, mineral w.) Slovenia (Rogaška, mineral water) Slovenia (Rogaška, functional water)
BABY FOOD	Slovenia (Mirna)
OUTSOURCED	Croatia (Bob's Jastrebarsko) Croatia (Novak) BiH (Hercegovina vino)

CONTENT

- Overview of Droga Kolinska
- Summary of strategic reasoning for acquisition
- Consolidated Group
- Acquisition info/Financing/Capital increase

SUMMARY OF STRATEGIC REASONING FOR ACQUISITION OF DROGA KOLINSKA

STRONG STRATEGIC FIT

Achieving sales and costs synergies

Compatibility of industries, product assortments and markets between Droga Kolinska and Atlantic Grupa

Raising operating efficiency and thus profitability in Droga Kolinska amid change in business strategy and application of Atlantic Grupa's management know-how

SUMMARY OF STRATEGIC REASONING FOR ACQUISITION OF DROGA KOLINSKA

SALES SYNERGIES in DROGA KOLINSKA

Synergies reasoning in categories

Coffee
- Exploiting AG's distribution strength in Croatia and BiH in both the retail and the HoReCa channels

Confectionary
- Merging distribution infrastructure of Droga Kolinska and Atlantic Grupa in Croatia
- Introducing assortment as 'impulse category' in Slovenia

Snacks
- Significantly better market positioning on the Croatian and BiH markets on the back of Atlantic Grupa's distribution know-how

Spreads
- Stronger focus on this category with high growth potential supported by more intensive marketing investments + entering new markets

Soft drinks/Donat
- Combined operations and presence spurring growth in beverages (using Cedevita GO! fridges for Cockta/Donat Mg and exploiting AG's strong presence in the HoReCa channel with Cedevita) + entering new markets

Synergies reasoning on a country level

Slovenia
- Increasing the low weighted distribution reach of the confectionery category
- Introducing confectionery as the impulse category

Croatia
- Raising the low weighted distribution reach in all categories across all distribution channels

Serbia
- Achieving better market coverage via stronger product assortment in soft drinks (Cedevita + Cockta)

BiH
- Merging DK and AG distribution networks will enhance low weighted distribution reach in many categories

INTENSITY of SYNERGIES EFFECTS

	LOW	MEDIUM	HIGH
Coffee		◆	
Confectionary		◆	
Snacks	◆		
Spreads			◆
Soft drinks/Donat			◆

	LOW	MEDIUM	HIGH
Slovenia	◆		
Croatia			◆
Serbia	◆		
Montenegro	◆		
BiH			◆

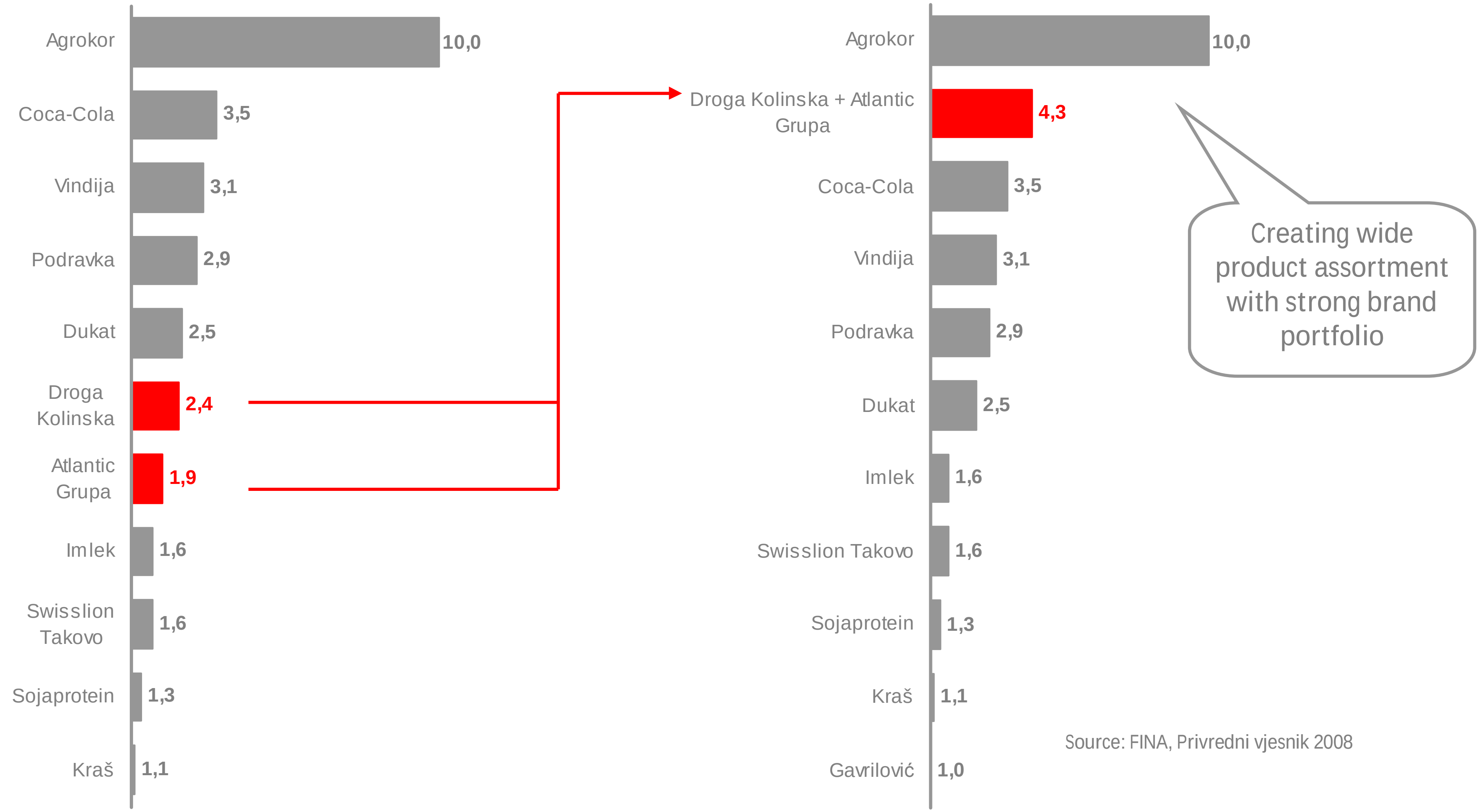
OPERATING COSTS SYNERGIES

Distribution/ Transportation	▪ Merging Droga Kolinska and Atlantic Grupa's distribution networks on ex. Yugoslav markets will enable elimination of overlapping distribution networks and thus raise utilisation capacity rates in vehicle fleets, optimise distribution routes and sales force. All this coupled with economies of scale and thus lower marginal costs in distribution will eventually lead toward lower overall distribution and transportation (gas/leasing) costs.
Logistics	▪ Merger and optimisation of the logistics processes in Droga Kolinska and Atlantic Grupa will lead towards lower operating costs in the logistics area.
Procurement	▪ Joining Droga Kolinska and Atlantic Grupa's procurement operations and suppliers base will result in higher negotiating power and better control in the procurement process of raw materials (sugar for Cedevita and many categories in Droga Kolinska) and packaging materials (same packaging materials for Cedevita GO!, Cockta, Donat Mg as well as for coffee and Cedevita VIN/HoReCa). All this in tandem with the simultaneous achievement of economies of scale in the procurement process will lead toward lower production material costs.
Marketing	▪ Focus on the more efficient management of marketing activities (both above and below the line) in product categories with higher growth potential through joined marketing investments will eventually result in more efficient marketing spending.

CONTENT

MERGER OD AG & DK WILL CREATE … the 2ND STRONGEST FOOD COMPANY IN THE REGION

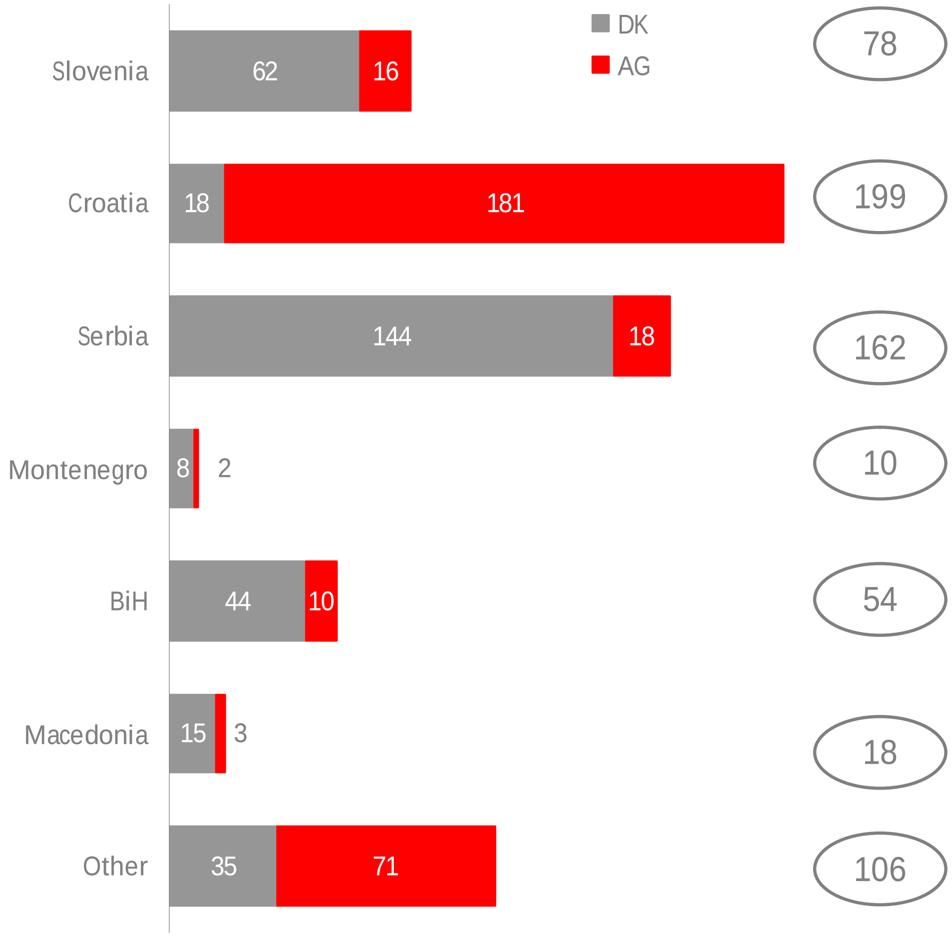
In HRKbn, Food & beverages sales FY08 (Droga Kolinska & Atlantic Grupa's data in FY09)



Source: FINA, Privredni vjesnik 2008

MERGER OF AG & DK WILL CREATE ... STRONG REGIONAL DISTRIBUTION NETWORK

FY09 Sales EURm (AG financials translated at EUR/HRK of 7.3)

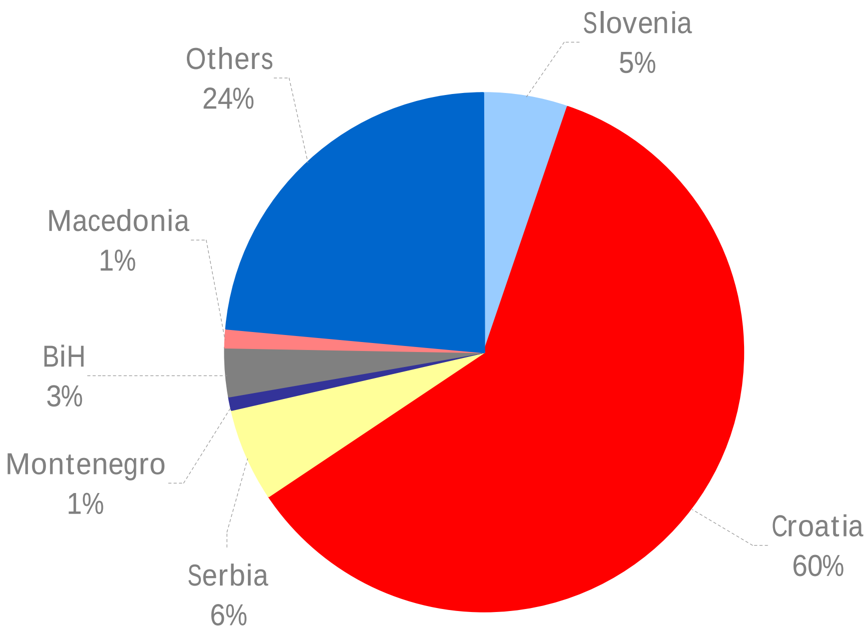


...

- ✓ The company with strong regional distribution network and thus strong negotiating power in retail
- ✓ The company with the vertically integrated organization combining R&D/production/marketing-distribution-retail (pharmacies in AG and small retail formats in DK)

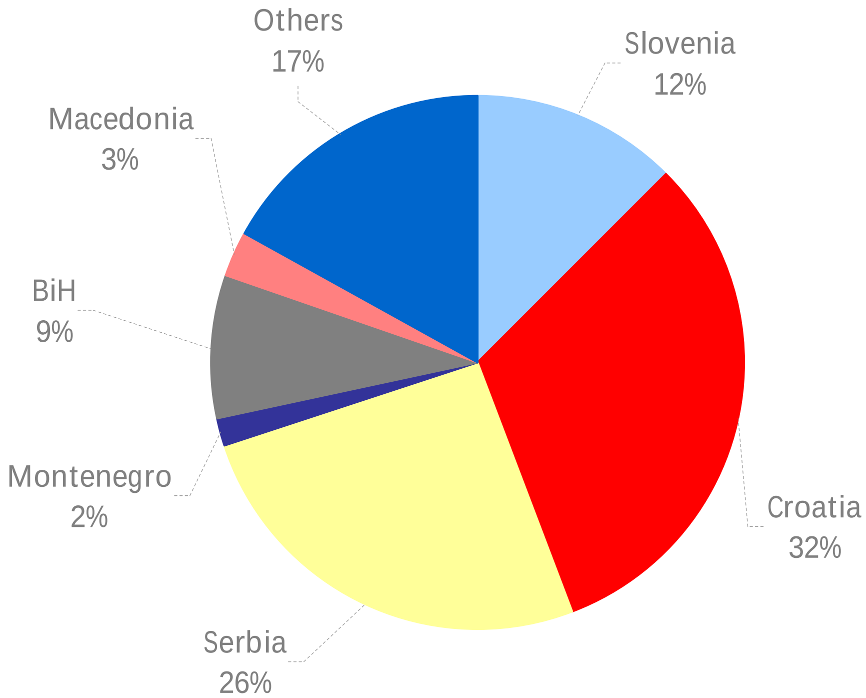
MERGER OF AG & DK WILL CREATE ... the COMPANY WITH STRONG REGIONAL PRESENCE

Atlantic Grupa



2009 sales of EUR 301m

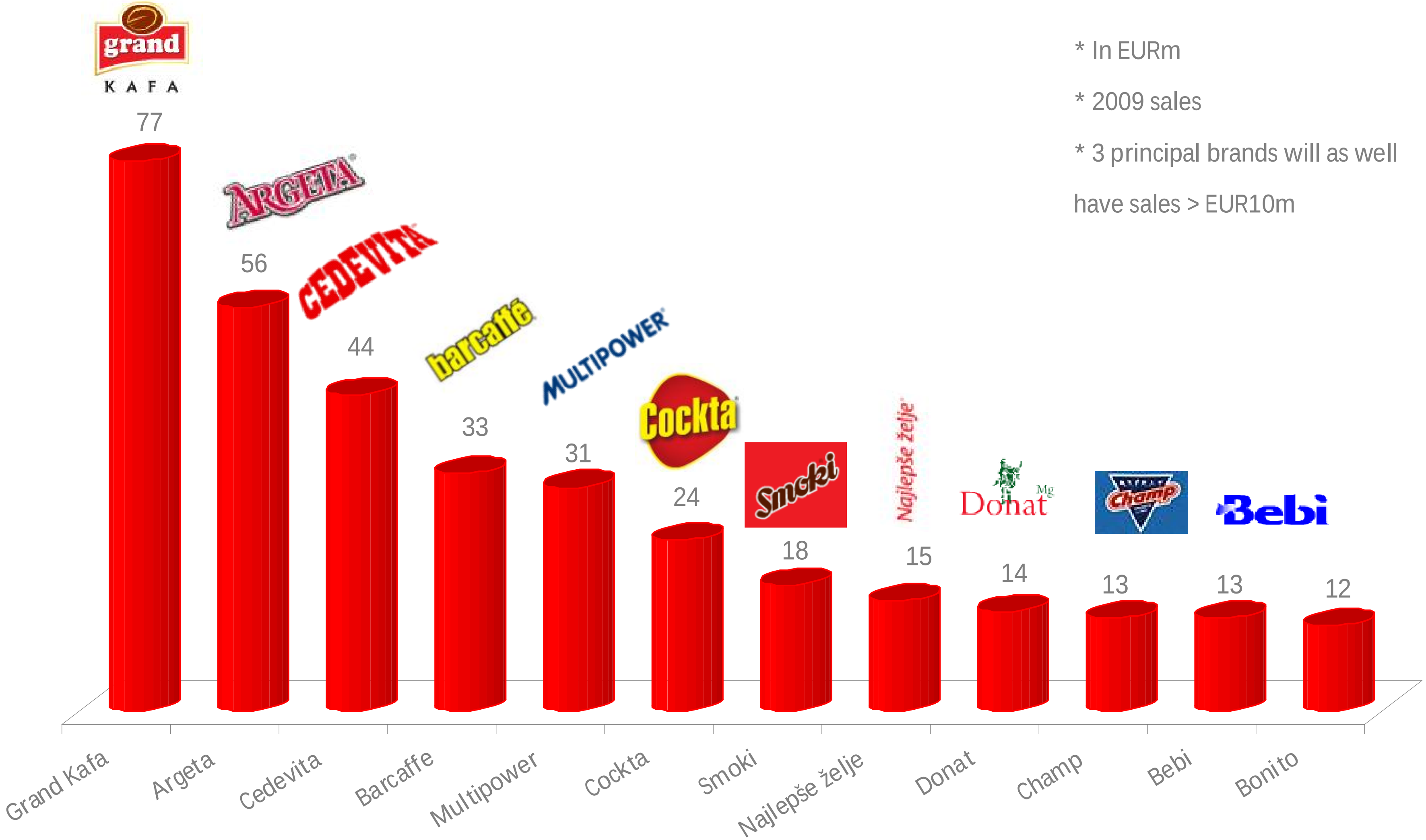
Atlantic Grupa + Droga Kolinska



Pro-forma 2009 sales of EUR 627m

*AG financials translated at EUR/HRK of 7.3

MERGER OF AG & DK WILL CREATE ... the COMPANY with 12 OWN BRANDS with SALES > EUR10m



* In EURm

* 2009 sales

* 3 principal brands will as well have sales > EUR10m

MERGER OF AG & DK WILL CREATE … STRONG REGIONAL PRODUCTION NETWORK

Slovenia

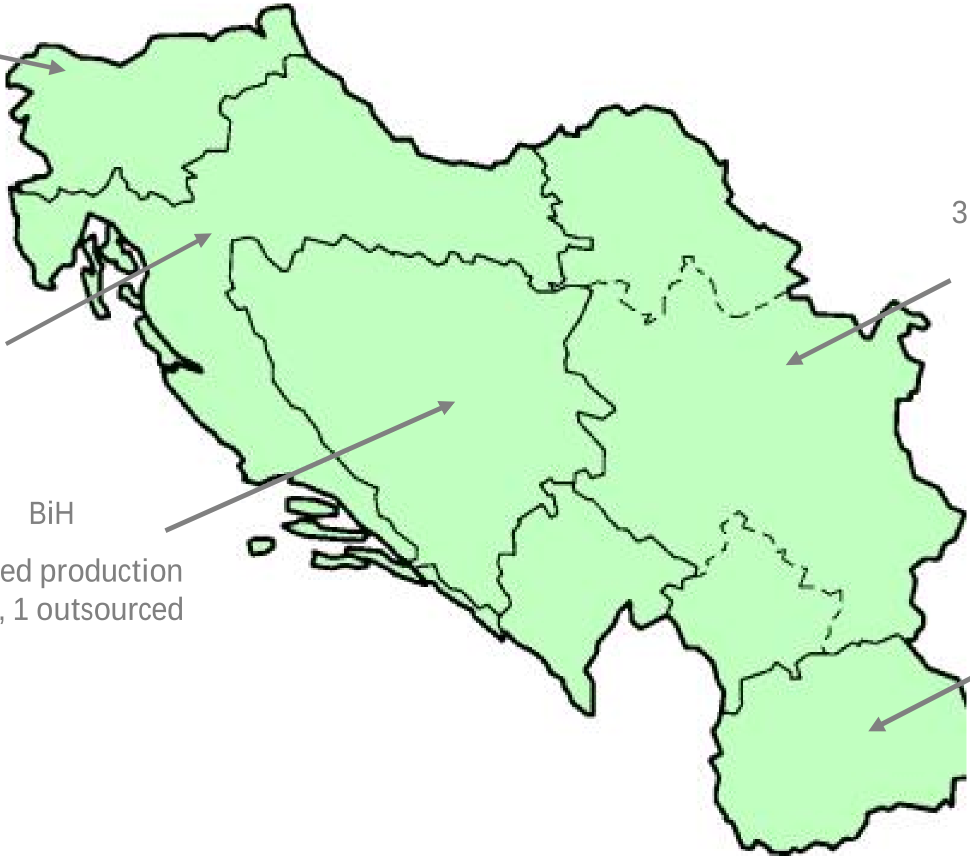
3 production plants

Croatia

4 owned production plants, 3 outsourced

BiH

2 owned production plants, 1 outsourced

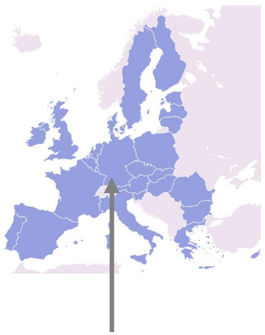


Serbia

3 production plants

Macedonia

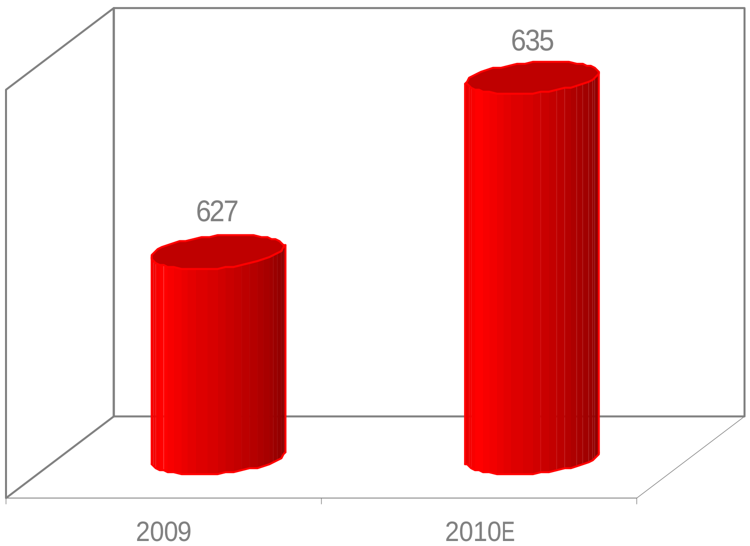
1 production plant



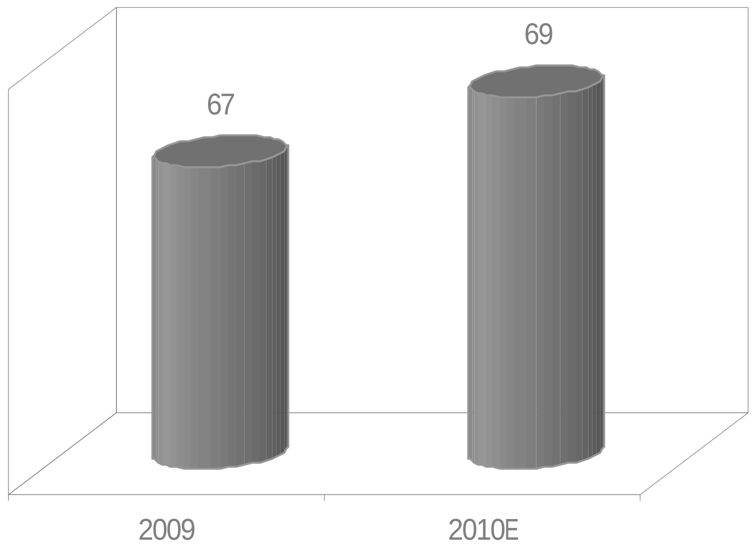
EU: Production facility in Germany

MERGER OF AG & DK - PRO-FORMA FINANCIALS

Consolidated sales, EURm, 2010 Full year



Adjusted consolidated EBITDA, EURm, 2010 Full year



Consolidated Balance sheet, EURm, Pro-forma 2009

EURm	31.12.2009
Long-term assets	447
Short-term assets	246
Total assets	693
Total equity	190
Long-term liabilities	324
Short-term liabilities	179
Shareholders' equity and liabilities	693

* YE10 consolidated net debt in the range of EUR345-350m

* AG financials translated at EUR/HRK of 7.3

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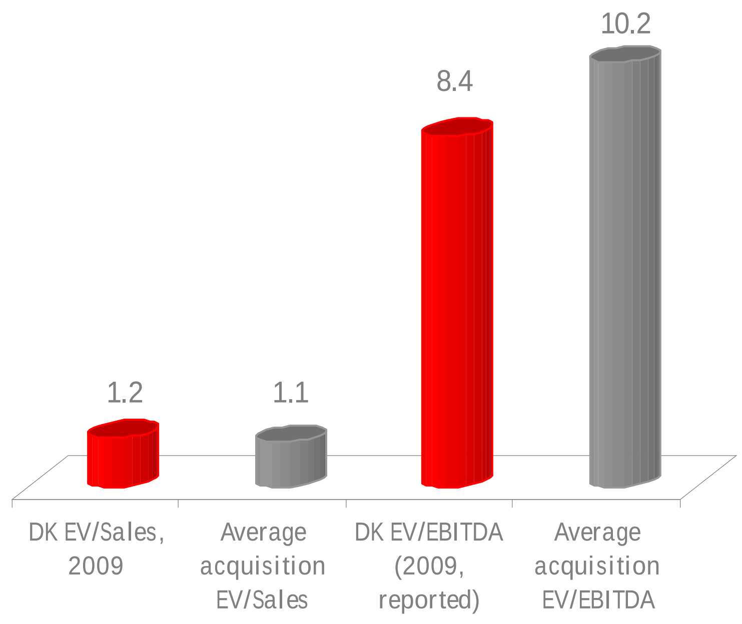
CONTENT

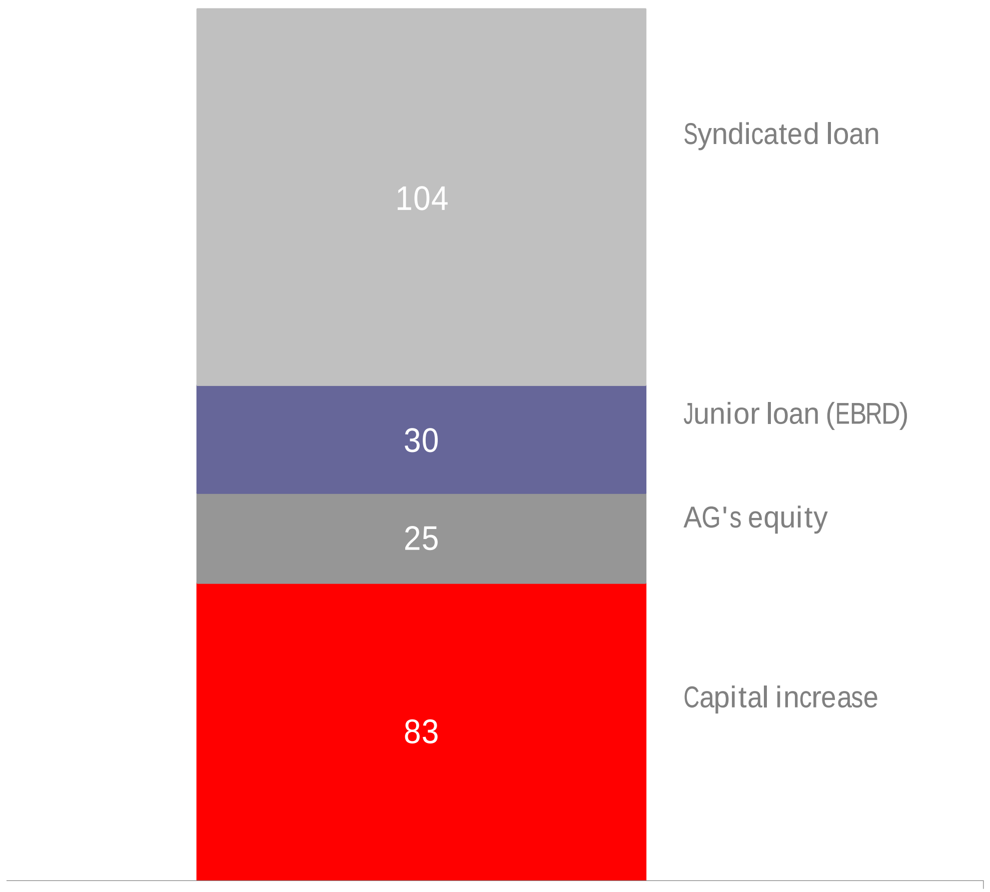
ACQUISITION INFO - VALUATION

	Droga Kolinska
Ownerhip acquired	100%
Enterprise value (EURm)	382
Net debt in DK as of 31/05 (EURm)	146
Estimated net debt at closing date (EURm)	140
Estimated purchase price at closing (EURm)	242
Acquisition valuation	
EV/Sales (2009)	1.2
EV/EBITDA (2009, reported)	8.4
P/S (2009)	0.7
P/EBITDA (2009, reported)	5.3



FINANCING STRUCTURE

In EURm



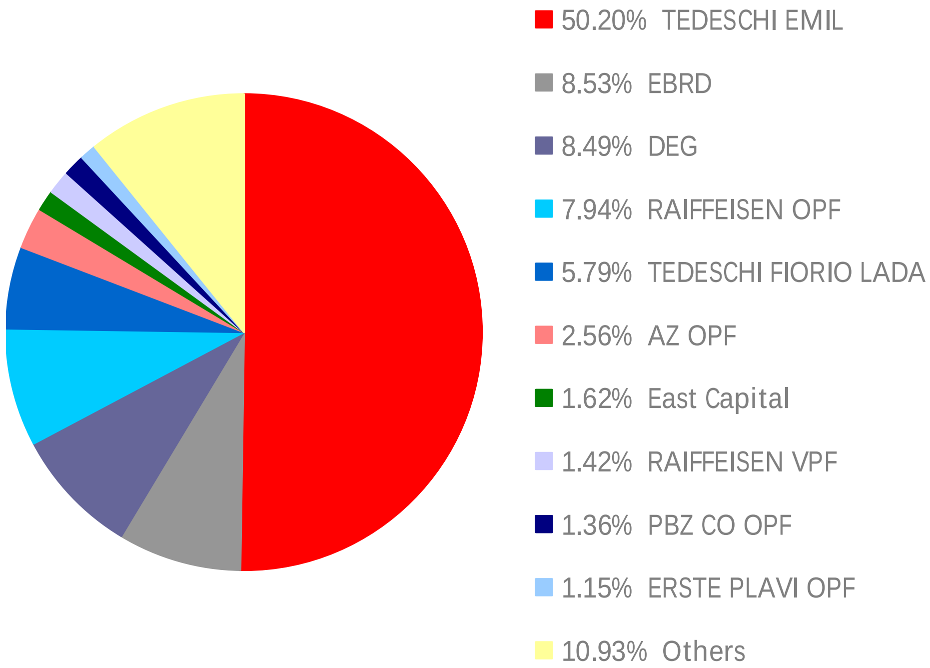
- Syndicated loan by:

  Raiffeisen Group (together Raiffeisenbank Austria d.d. and Raiffeisen Zentralbank Oestereich AG)
  UniCredit Group (together UniCredit Bank Austria AG and Zagrebačka banka d.d.)

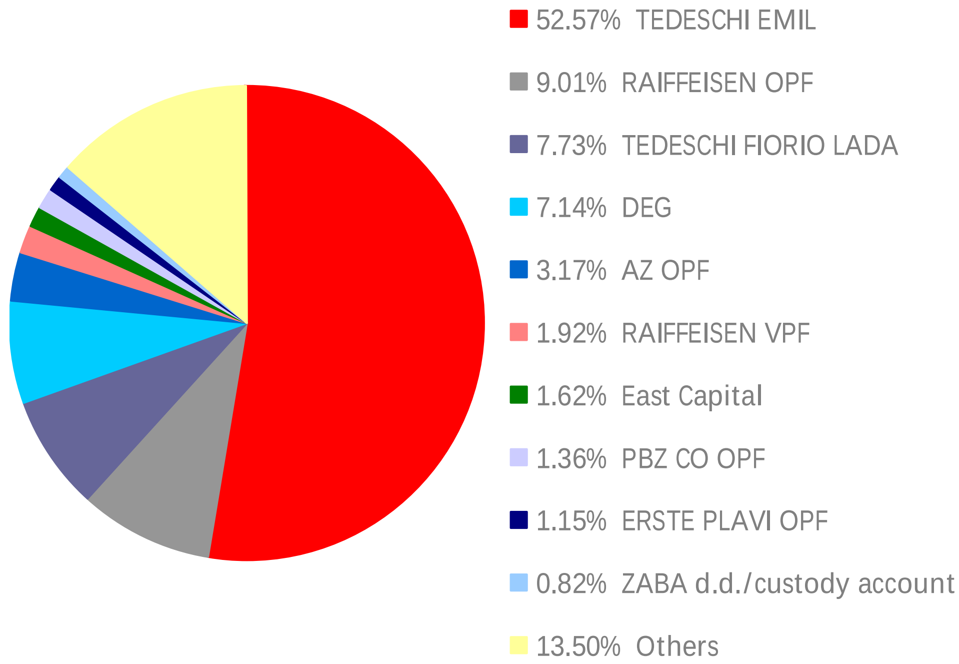
- Junior loan by EBRD
- Secured refinancing of Droga Kolinska's existing debt

CAPITAL INCREASE – NEW SHAREHOLDER STRUCTURE

After capital increase (21.07.2010)



Before capital increase (30.06.2010)



* 864,305 newly issued shares offered at HRK 700 a share → HRK605m in raised capital

* Subscription right: Top 15 Investors on June 30th, 2010 and Qualified investors: DEG and EBRD – additional investment by DEG, while EBRD entered AG's ownership structure

* Capital increase carried out in two rounds

Q & A

Thank you for the attention