

ATLANTIC GRUPA

Company of Added Value

Investor Conference 2011, New York



ATLANTIC
G R U P A

ONE OF THE LARGEST FOOD AND BEVERAGES COMPANIES in the SEE REGION

Business

- Fast Moving Consumer Goods

Headquarter

- Zagreb, Croatia (Europe)

Foundation

- 1991

No of employees

- 4,300

Pro-forma FY10 sales

- EUR 618m

Key Markets

- SEE region, Western Europe, Russia
- 30 markets

Production facilities

- 15 production plants in Slovenia, Croatia, BiH, Serbia, Macedonia, Germany

- The leading European company in the **sports nutrition**
- Among the leading **soft drinks** producer in the ex-YU area
- One of the leading **coffee** producer in the ex-YU region
- Among the leading **savoury spreads** producer in the ex-YU
- Among the leading **confectionary & snacks** producer in the ex-YU
- Producer of the No1 Croatian brand in **the VMS and the OTC**
- The largest private **pharmacy chain** in Croatia
- The leading **FMCG distributor** in the SEE region

Key brands:

MULTIPOWER

CEDEVITA, COCKTA, DONAT Mg

GRAND KAFA, BARCAFFE

ARGETA

SMOKI, NAJLEPŠE ŽELJE

DIETPHARM

FARMACIA

International Brands (Ferrero, Wrigley etc.)

ATLANTIC GRUPA'S BUSINESS MODEL



ATLANTIC
GRUPA

Division Distribution

Own brands
External brands –
Ferrero, Wrigley, J&J,
Duracell, One2play,
ect.

Division Consumer HealthCare

Vitamin drinks and
teas - **CEDEVITA**
Cosmetics and
personal care –
**PLIDENTA, MELEM,
ROSAL**

Division Sports and Functional Food

Sports and
Functional Food –
**MULTIPOWER,
CHAMP, MULTABEN**

Division Pharma

VMS - **DIETPHARM**
OTC - **FIDIFARM**
Pharmacy chain
FARMACIA

Division Droga Kolinska

Coffee – **GRAND KAFA,
BARCAFFE**
Savoury spreads -
ARGETA
Sweet and salted
snacks – **SMOKI,
BANANICA**
Beverages – **COCKTA,
DONAT Mg**
Baby food - **BEBI**

❖ Business model organized in 5 divisions

PRODUCT/DISTRIBUTION PORTFOLIO OVERVIEW

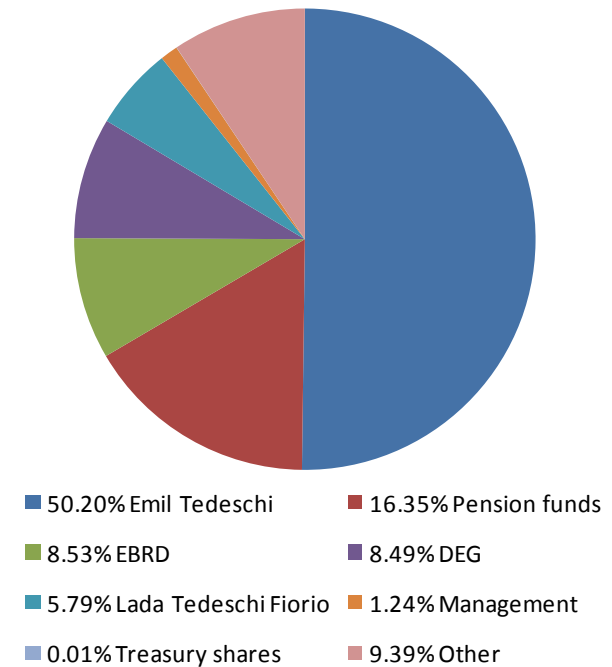


STABLE MANAGEMENT TEAM AND OWNERSHIP STRUCTURE

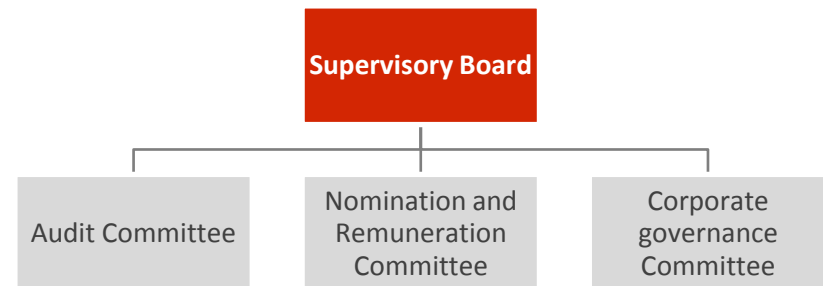
Management



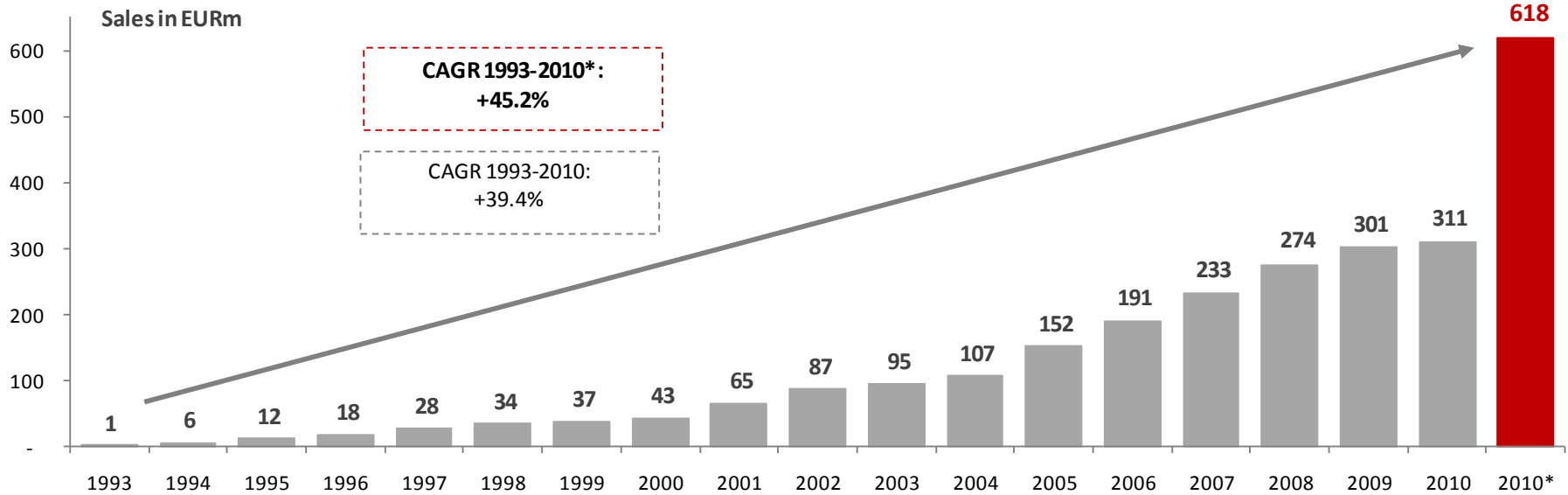
Ownership structure on 30/09/2011



Supervisory board



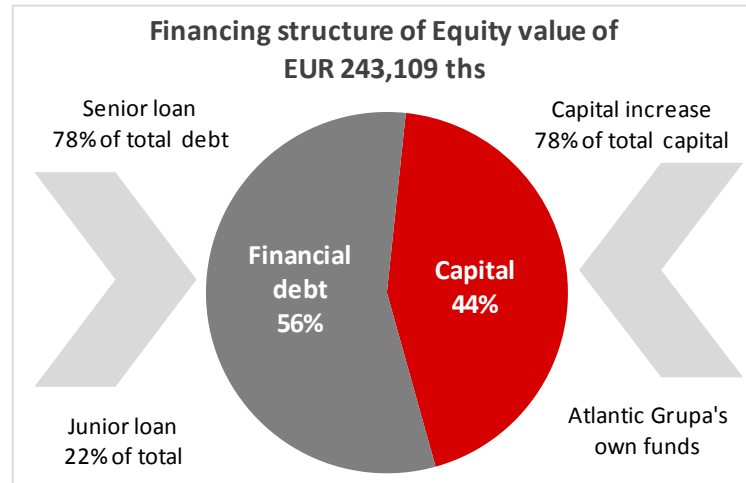
DEVELOPMENT CYCLE: Extensive M&A track record



BUSINESS DEVELOPMENT: The acquisition of Droga Kolinska - AG's largest acquisition ever

❖ At the end of 2010, Atlantic Grupa successfully acquired regional food & beverages company – **Droga Kolinska**

	Droga Kolinska
Ownership	100%
Equity value (EURm)	243
Enterprise value (EURm)	382
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2010 EV/Sales	1.2
2010 EV/EBITDA	8.7
2010 P/Sales	0.8
2010 P/EBITDA	5.5

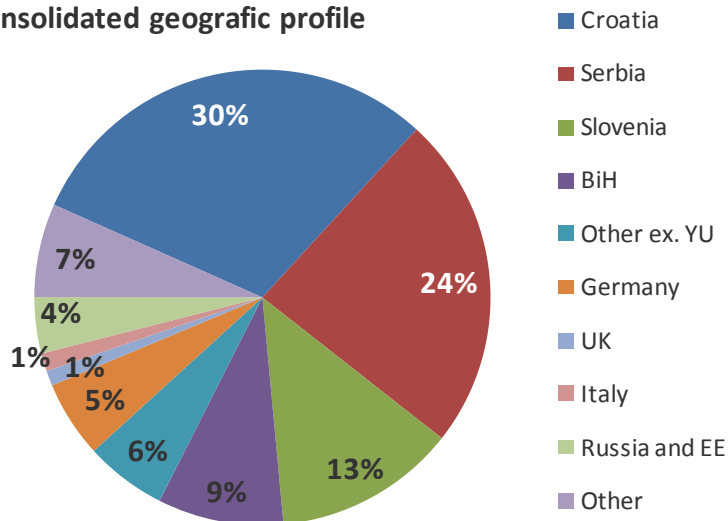


INVESTMENT HIGHLIGHTS



GEOGRAPHIC PRESENCE

Consolidated geographic profile



Strong production and distribution network in the region



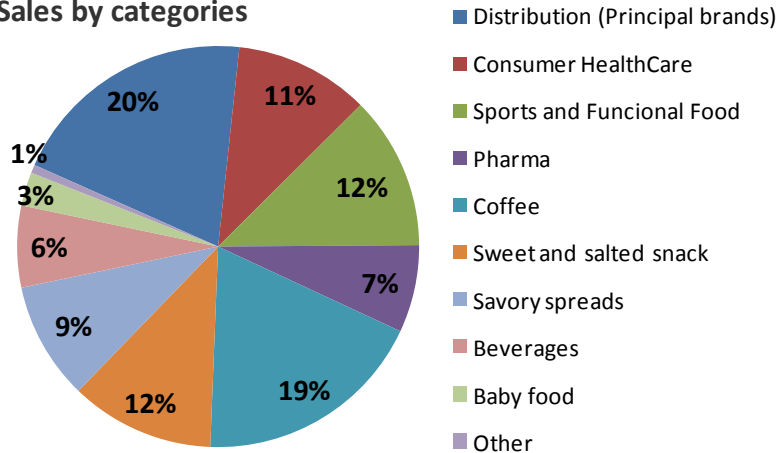
Macroeconomic overview

	2010	2011E
Ex. Yugoslavia population	22 million	
Croatia		
GDP per capita (USD)	13,776	14,529
Inflation	1.0	3.2
Serbia		
GDP per capita (USD)	5,139	6,267
Inflation	6.2	11.3
B&H		
GDP per capita (USD)	4,242	4,715
Inflation	2.1	4.0
Macedonia		
GDP per capita (USD)	4,483	5,012
Inflation	1.5	4.4

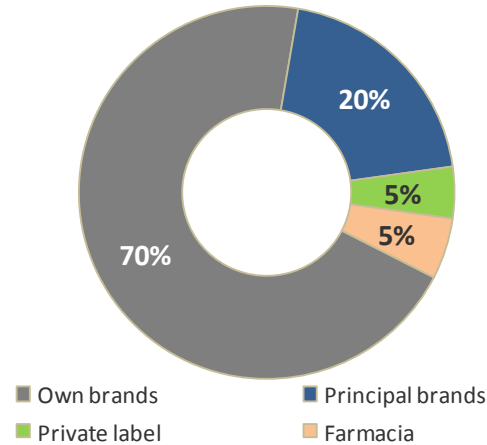
Source: IMF, World Economic Outlook Database, September 2011

SALES PROFILE

Sales by categories

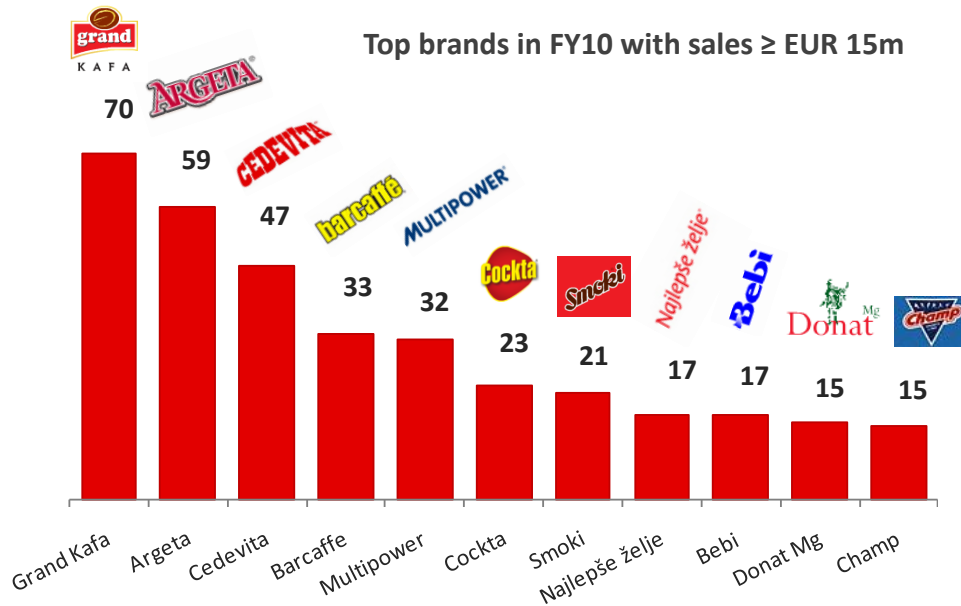


Sales by brands



- ❖ Coffee, Sports and Functional Food, Sweet and salted snacks are the largest product categories
- ❖ Own brands comprise 70% of Group's sales
- ❖ Atlantic Grupa has 11 brands with sales ≥ EUR 15m

Top brands in FY10 with sales ≥ EUR 15m



Brands among top 3 brands in category



FINANCIAL OVERVIEW: 2007-2010

In EURm	FY10	FY09	FY08	FY07	CAGR 10/07	2010/2009
Revenues	315	304	277	233	10.7%	3.6%
Sales	311	301	274	229	10.8%	3.1%
Normalized EBITDA	28	26	23	18	15.1%	6.5%
Normalized EBIT	20	20	18	13	15.5%	0.3%
Normalized Net profit	13	12	11	7	21.3%	8.4%
EBITDA margin*	8.9%	8.6%	8.5%	7.9%	+97bb	+28bb
EBIT margin*	6.5%	6.6%	6.5%	5.7%	+77bb	-19bb
Net profit margin*	4.3%	4.1%	3.9%	3.3%	+103bb	+21bb

Net debt	338	37	40	12
Total assets	699	243	237	205
Equity	199	104	101	92
Gearing ratio	62.9%	26.3%	28.1%	11.6%

➤ Growth in challenging macro milieu thanks to innovation

Balance sheet as of YE10 reflects consolidation of Droga Kolinska, but P&L accounts not consolidated in FY10 (consolidation starts as of 01/01/2011)

* Normalized margins

FINANCIAL OVERVIEW: Pro-forma consolidation with Droga Kolinska in FY10

Key figures (EURm)	AG	DK	2010
Revenues	315	313	628
Sales	311	307	618
Normalised EBITDA	28	44	72
Normalised EBIT	20	23	43
Normalised Net profit	13	10	24
Normalised EBITDA margin	8.9%	14.3%	11.6%
Normalised EBIT margin	6.5%	7.5%	7.0%
Normalised Net profit margin	4.3%	3.4%	3.8%

❖ Enhanced profit margins once Droga Kolinska consolidated, with the most pronounced improvement at EBITDA margin largely thanks to Droga Kolinska's higher gross profit margin amidst own brands-oriented product mix

* Droga Kolinska's EBIT and Net profit do not reflect goodwill impairment of EUR4.9m

* Pro-forma consolidation reflects added results of two companies, but does not reflect actual and potential positive and negative effects of consolidation of two companies

FINANCIAL INDICATORS

in EURm	2010	2009
Net debt	338	37
Total assets	699	243
Equity	199	104
Interest coverage ratio*	13.5	6.9
Gearing ratio	62.9%	26.3%
Current ratio	1.3	1.7
Net debt/EBITDA*	4.7	1.4
Capex (net of receipts from sale)	3.3	6.0
Cash flow from operating activities**	14	15

*Ex. one-offs, pro-forma ** Excluding impact of transaction costs

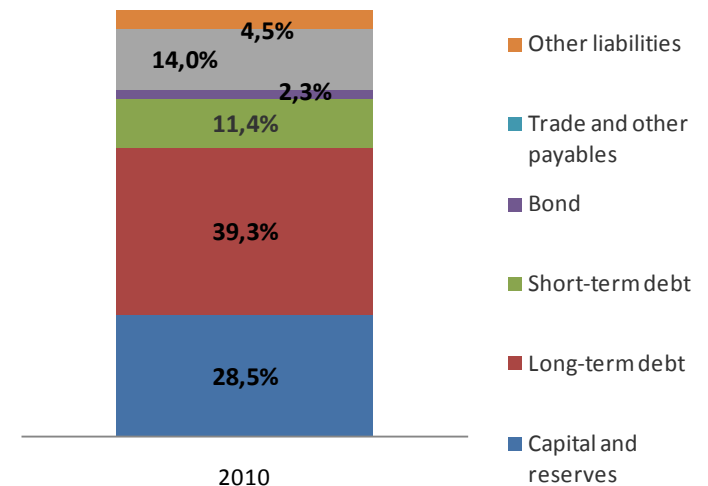
Debt indicators:

- ❖ Net debt – to – pro-forma consolidated normalized EBITDA ratio of 4.7 times
- ❖ Pro-forma consolidated normalized EBITDA – to – pro-forma consolidated interest expense ratio of 4.9 times
- ❖ Gearing ratio of 62.9% vs. 26.3% at the YE09

Call for: prudent debt management, execution of fast integration, delivery of planned synergies and thus indebtness reduction in scheduled manner

Key highlights

- ❖ At the YE10, Atlantic Grupa's balance sheet positions reflect consolidated BS of Droga Kolinska
- ❖ Total shareholders equity of EUR 199m reflects capital increase of EUR 83m
- ❖ EUR 338m in net debt
- ❖ Current ratio at 1.3x
- ❖ Capex (net of receipts from sale) at EUR 3.3m
- ❖ CFO at EUR 14m



FINANCIAL OVERVIEW in 9M11

Key figures (EURm)	9M11	9M10	9M11/9M10
Revenues	476.0	233.2	104.1%
Sales	472.6	230.7	104.8%
Normalised EBITDA	54.0	22.3	142.0%
Normalised EBIT	33.0	17.3	91.0%
Normalised Net profit	4.4	11.0	-59.6%
Normalised EBITDA margin	11.4%	9.7%	
Normalised EBIT margin	7.0%	7.5%	
Normalised Net profit margin	0.9%	4.8%	

9M11 vs. 9M10 sales: +104.8% yoy

- Key growth generators:
 - (i) acquisition of Droga Kolinska
 - (ii) organic growth of Atlantic Grupa

9M11 vs. 9M10 pro-forma sales: +4.0% yoy

- Key growth generators:
 - (i) growth on regional markets following acquisition of Droga Kolinska
 - (ii) sales increase in coffee segment, baby food assortment and confectionary portfolio
 - (iii) growth in Sports and Functional Food and Pharma divisions

Impact on 9M11 profitability:

- Consolidation of Droga Kolinska with product portfolio entirely of own brands
- Negative impact: surge in raw material prices on global commodity markets
- Higher interest expenses amid financing acquisition of Droga Kolinska and FX loss
- 9M11 EBIT does not reflect potentially material impact on amortisation from currently active PPA process related to the acquisition of Droga Kolinska

	9M11/9M10	9M11/9M10 pro-forma
Normalised EBITDA	+142.0%	-1.5%
Normalised EBIT	+91.0%	+1.0%
Normalised Net profit	-59.6%	

OUTLOOK for FY11

STRATEGIC GUIDANCE 2011

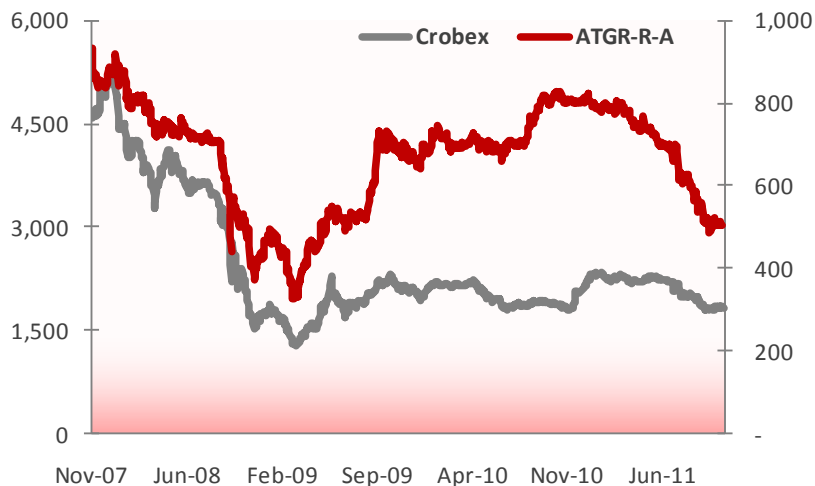
- ✓ Delivery of planned synergy potentials both on sales and costs side following integration of Droga Kolinska into Atlantic Grupa's business model
- ✓ Focus on organic growth through innovations in product categories and strengthening the regional character of distribution business
- ✓ Meeting financial commitments on regularly basis coupled with prudent debt and financial cost management
- ✓ Cost management and optimisation of operating processes on both centralised and lower levels, aiming to improve operating efficiency
- ✓ Prudent liquidity management



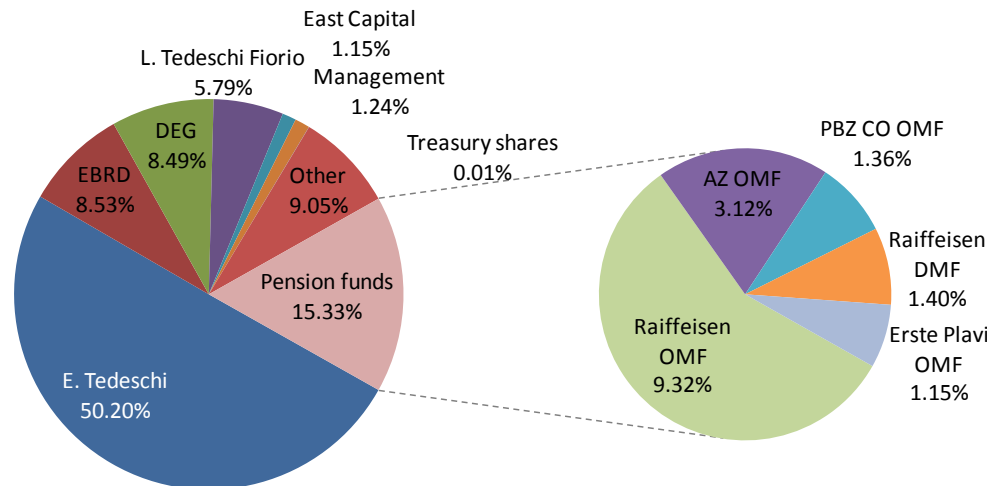
In EURm	2011 Guidance	Pro-forma consolidated 2010 (normalised)	AG 2010 (normalised)	2011/Pro-forma 2010	2011/2010
Sales	637	618	311	3.0%	105.0%
EBITDA	72	72	28	0.8%	161.3%
EBIT	44	43	20	1.0%	117.6%

* Guided EBIT does not reflect potentially material impact on amortisation coming from currently active PPA process related to the acquisition of Droga Kolinska that under IFRS acquirer is obliged to execute in a year after the acquisition

ATLANTIC GRUPA ON CAPITAL MARKETS



Ownership structure on September 30, 2011



Valuation

2010

PPS (EUR, as of 16/11/11)	69.2
MCap (EUR 000, as of 16/11/11)	230,670
EV (EUR 000)	577,347
EV/EBITDA*	8.06
EV/EBIT*	13.34
EV/Sales*	0.93
EPS (EUR)	4.17
P/E	16.60

Ex. one-offs; *Pro-forma consolidated figures in 2010

- ❖ ATGR-R-A is the component of the Croatian blue-chip index Crobex 10 on the Zagreb Stock Exchange
- ❖ Capital increase in July 2010: 864.305 newly issued shares – EUR83m in raised capital - European Bank for Reconstruction and Development, German development bank DEG, all Croatian pension funds participated in the capital increase
- ❖ Capital Markets awards: for Transparency, for Best Share

Short overview of Zagreb Stock Exchange

MCap 9M11 (EURm)	5.5
Total turnover 9M11 (EURm)	707
Average daily turnover 3Q11 (EURm)	2.9
No of listed shares	263

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