FINANCIAL RESULTS
IN THE FIRST HALF OF
2018
(unaudited)

Zagreb, 26th July 2018

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INTRODUCTION

COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD AND CEO

Commenting on the financial results in the first half of 2018, **Emil Tedeschi**, CEO of Atlantic Grupa, pointed out:

“Atlantic Grupa continues to achieve planned business results, due to growth in all significant markets and most business units. The growth is based on the growth of own as well as principal brands, due to our strong focus on both business segments. Many new products in the Atlantic Grupa’s strong brands portfolio have been launched, and the distribution of new renowned international manufacturers’ products has been initiated. By signing the sale agreement for the company Neva, the main manufacturer in the cosmetics programme, we continued to implement our strategic programme of disinvesting “non-core” minor business operations.

The revenue growth continues to be accompanied with the profitability growth, and we continue decreasing the debt which leads us to significantly lower finance costs. All this enables us to focus on even more ambitious plans for future growth.”

CONTINUED REVENUE AND PROFITABILITY GROWTH IN THE FIRST HALF

- **SALES** AT HRK 2,487.9 MILLION
  + 0.3% compared to the first half of 2017
  + 4.1% compared to the first half of 2017 if the effect of the sold service production for third parties is excluded

- EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (**EBITDA**) AT HRK 296.4 MILLION
  + 5.3% compared to the first half of 2017

- EARNINGS BEFORE INTEREST AND TAXES (**EBIT**) AT HRK 222.9 MILLION
  + 9.2% compared to the first half of 2017

- **NET PROFIT** AFTER MINORITIES AT HRK 167.6 MILLION
  +8.8% compared to the first half of 2017

FINANCIAL SUMMARY OF THE FIRST HALF OF 2018

Key figures	H1 2018	H1 2017	H1 2018/ H1 2017
Sales (in HRK millions)	**2,487.9**	2,481.1	0.3%
Turnover (in HRK millions)	**2,519.0**	2,501.0	0.7%
EBITDA margin	**11.9%**	11.3%	+57 bp
Net income after minorities (in HRK millions)	**167.6**	154.1	8.8%
Gearing ratio*	**32.9%**	34.5%	-157 bp

*Gearing ratio = Net debt/(Total equity+Net debt)

Comparative period has been adjusted to reflect current period reporting.**

** Condensed consolidated financial statements have been prepared on the basis of the same accounting policies, presentations and calculation methods that were used in the preparation of annual consolidated financial statements of Atlantic Grupa as at 31 December 2017, other than adopted new standards effective for the periods beginning on or after 1 January 2018. The Group applies, for the first time, IFRS 15 Revenues from Contracts with Customers that requires restatement of comparative data. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The Group adopted IFRS 15 using the full retrospective method of adoption.

1. SETTLEMENT OF AGROKOR GROUP CREDITORS VOTED IN FAVOUR

At the beginning of April, the Settlement term sheet was signed on all key structural elements of the settlement based on which the Agrokor Group and its liabilities will be restructured, which served as a framework for the actual text of the settlement. The agreed key elements include the corporate structure of the new Agrokor Group, treatment and form of settlement of creditor's claims arisen prior to the initiation of the extraordinary administration proceedings, new debt of the new Agrokor Group and its capital structure and special arrangement with suppliers on settlement of the so-called border debt and the settlement implementation. In June 2018, members of the Temporary Creditors' Council unanimously accepted the settlement plan between the debtors and all creditors, and at the hearing held on 4th July 2018, the settlement plan of Agrokor's creditors was voted in favour by 80.2 percent of total claims. The Commercial Court in Zagreb on 6th July adopted the ruling confirming the settlement plan between the creditors and the extraordinary administration of Agrokor, and it is expected that the settlement will become effective after the ruling of the High Commercial Court in several months.

For suppliers, it is especially important that operations of the future Group will be based on the arm's length principle regarding inter-company relationships within the Group, meaning that all the parties are equal and independent in their relationships. The agreement with suppliers on the settlement of the so-called border debt determines conditions such as the highest total amount of border debt to be paid to suppliers, the payment period of four years and the minimum EBITDA of Konzum as a condition for the border debt settlement. If Konzum realises four-year planned EBITDA included in the projections prepared by Agrokor's management and their advisors as the basis for the settlement, Atlantic Grupa will collect all the remaining receivables from Agrokor Group members from the period prior to the initiation of the extraordinary administration proceedings, amounting to approximately HRK 60 million. Since at the moment it is not possible to assess with certainty the feasibility of the plans, we provided the amount of HRK 20 million for the risk of non-realisation of plans, of which HRK 5 million is recorded in expenses of the first quarter of 2018.

2. REORGANISATION OF DISTRIBUTION AND NEW DISTRIBUTION CONTRACTS

As announced earlier, from the beginning of 2018, the entire distribution operations have been reorganised into one single area. The markets within the distribution area where Atlantic Grupa provides complete distribution service are SDU Croatia, SDU Serbia, SDU Slovenia, DU Macedonia and DU Austria, while the markets which we dominantly manage through our distribution partners have been grouped into a single distribution area, Global Distribution Account Management. The Business Unit Baby Food as an additional program became a part of the Strategic Business Unit Pharma and Personal Care. Components of the Strategic Distribution Region HoReCa have been merged with the existing distribution organisations in individual markets in the region and from the beginning of 2018 revenues of the HoReCa channel are reported within the corresponding Strategic Distribution Units.

Continuing to expand its distribution portfolio in line with expectations and announcements, in the first quarter of 2018 Atlantic Grupa began the distribution of the entire Mars portfolio in the Croatian market, and the distribution of Red Bull in the Serbian market began in April this year. The effects are observable in revenues realised in the second quarter of 2018.

3. PURCHASE AND SALE AGREEMENT FOR COMPANY NEVA SIGNED

As at 20th July 2018, Atlantic Grupa and the company Magdis from Zagreb signed a purchase and sale agreement for the company Neva, the largest cosmetics manufacturer in Croatia, with famous brands Rosal, Plidenta and Melem. Magdis is a renowned manufacturer of the Biobaza cosmetic line and medical raw materials and products, and by expanding the production capacities and portfolio, it becomes an important player in the Croatian and regional markets of cosmetic products. Magdis will take over the Neva's production plant in Rakitje and the entire company's portfolio with 52 employees.

In 2017, Neva's revenues amounted to approximately HRK 60 million, while earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to HRK 4.4 million.

Thus Atlantic Grupa continues to implement its strategic programme of disinvesting "non-core" minor business operations including the cosmetics programme, finding in the process a perfect partner in the company Magdis with which it shares common values and the desire for further growth and development of renowned Croatian cosmetic brands. The synergy effects of the two companies will create a new space for growth in the domestic market as well as for the positioning for growth in the region.

4. IMPACT OF THE SALE OF SERVICE PRODUCTION FOR THIRD PARTIES

For the purpose of further restructuring and simplifying the operations of the sports and functional food segment and focus on own brands and the expansion of principal brands distribution, at the end of October 2017 Atlantic Grupa sold the factories in Germany (Bleckede) and Croatia (Nova Gradiška) and the related service production for third parties (private label) to the Belgian company Aminolabs Group. Revenues from the service production for third parties in the sports and functional food segment in 2017 amounted to approximately HRK 194 million, of which approximately HRK 92 million relates to the first half of 2017. If we exclude the effect of income from this transaction, the organic revenue growth in the first half of 2018 is 4.1%.

SALES PROFILE BY STRATEGIC BUSINESS UNITS AND STRATEGIC DISTRIBUTION UNITS

(HRK million)	H1 2018	H1 2017	H1 2018/ H1 2017
SBU Coffee	**531.4**	497.8	6.8%
SBU Beverages	**364.2**	332.2	9.6%
SBU Pharma and Personal Care	**332.6**	356.9	(6.8%)
SBU (Sweet and Salted) Snacks	**327.8**	310.6	5.5%
SBU Savoury Spreads	**299.3**	266.0	12.5%
SBU Sports and Functional Food	**77.9**	208.9	(62.7%)
From which private label production	**0.3**	92.5	(99.7%)
SDU Serbia	**587.4**	553.7	6.1%
SDU Croatia	**565.6**	518.4	9.1%
SDU Slovenia	**424.4**	400.9	5.9%
Global distribution network management	**196.0**	198.8	(1.4%)
Other segments*	**155.4**	143.9	7.9%
Reconciliation**	**(1,374.1)**	(1,307.1)	n/a
Sales	**2,487.9**	**2,481.1**	**0.3%**

Comparative period has been adjusted to reflect current period reporting.

In the first half of 2018, Atlantic Grupa recorded sales of HRK 2.5 billion, which is a 0.3% growth compared to the first half of 2017. The revenue growth follows the revenue growth in most business and distribution units, despite the significant decrease in sales of the Strategic Business Unit Sports and Functional Food. If we exclude the effect of sales of private labels in this strategic unit, whose production was disinvested at the end of October 2017, the organic revenue growth is 4.1%.

Atlantic Grupa records sales by business segments in a way that sales of individual Strategic Business Units and Business Units represent the total sales to third parties in the markets (either directly from a Strategic Business Unit (SBU) or Business Unit (BU), or through a Strategic Distribution Unit (SDU), Distribution Unit (DU) or Global Distribution Account Management (GDAM)), while sales of Strategic Distribution Units, Strategic Distribution Regions and Distribution Units include both sales of external principals' products and sales of own products. Comparative period has been adjusted to reflect current period reporting.

* Other segments include DU Austria, DU Macedonia, BU Gourmet and business activities not allocated to business and distribution units (headquarters and support functions in Serbia, Slovenia, Bosnia and Herzegovina and Macedonia) which are excluded from the reportable operating segments.

**Line item "Reconciliation" relates to the sale of own brands which is included in the appropriate SBU and BU and in SDUs, DUs and GDAM through which the products were distributed.

SALES DYNAMICS
IN THE FIRST HALF OF 2018

The STRATEGIC BUSINESS UNIT COFFEE continues to record great results due to the increase in sales in all major markets, led by the markets of Serbia, Slovenia, Croatia, Macedonia and Bosnia and Herzegovina. Analyzed by categories, the growth was recorded by Turkish coffee as the most significant category, and espresso coffee that continues to record a double-digit growth. All three brands in the Turkish coffee segment, Barcaffe, Grand kafa and Bonito, equally contributed to the growth, and instant Turkish coffee Black'n'Easy continues to record a double-digit growth. The increase in sales is realised in addition to retaining high market shares in the Turkish coffee segment and our brands in Serbia represent 5 of 10 cups of coffee consumed, in Slovenia 8 of 10 cups consumed, while in Croatia Barcaffe firmly holds the second place in the market*.

The STRATEGIC BUSINESS UNIT BEVERAGES recorded an excellent revenue growth in all major markets, with the highest increase recorded in the markets of Slovenia, Croatia, Bosnia and Herzegovina, and a significant contribution also came from the Serbian, Russian an Montenegrin markets. The growth is equally distributed among the retail and HoReCa sales channels, and it was achieved due to the increase in sales of all beverages categories, led by the vitamin instant drink Cedevita, functional drink Donat Mg, Cockta with the new visual identity and waters under the Kala and Kalnička brands.

The STRATEGIC BUSINESS UNIT SNACKS recorded growth primarily due to the increase in sales in the Serbian market, which brings almost two thirds of revenues to this business. The growth was also recorded in other significant markets such as Bosnia and Herzegovina, Montenegro and Croatia. In the sweets segment, the most significant growth was recorded by chocolates under the Najlepše želje and Bananica brands and wafers, while in the salty segment growth was recorded by flips under the Smoki brand and Prima salty sticks.

The STRATEGIC BUSINESS UNIT PHARMA AND PERSONAL CARE recorded a decrease in sales primarily in the Russian market, as a consequence of the decrease in sales of baby food under the Bebi brand, which, it should be noted, is a part of this business unit from the beginning of 2018. The decrease in sales was also partly impacted by the significant depreciation of the ruble (the decrease in average ruble exchange rate of 13.1% compared to the same period of the previous year). The revenue decrease was partly compensated by the increase in sales recorded in the most significant market – Croatian, due to a significant revenue growth of the pharmacy chain Farmacia.

The double-digit sales growth of the STRATEGIC BUSINESS UNIT SAVOURY SPREADS is a result of the increase in sales of products under the Argeta brand in most regional markets (Bosnia and Herzegovina, Slovenia, Serbia, Croatia, Macedonia and Montenegro), and of the increase in sales in Germany, the United States of America and Sweden. The growth was recorded by both meat and fish segment of savoury spreads and vegetable spreads that were launched to the market this year. It should be noted that, at the end of the first quarter this year, Argeta took the leading market position in Croatia measured by value share and that it increases its market shares in the Slovenian and Serbian markets due to the growth that is faster than the growth of its category.*

The expected decrease in sales of the STRATEGIC BUSINESS UNIT SPORTS AND FUNCTIONAL FOOD was largely caused by the sale of service production for third parties to the Belgian company Aminolabs, but also by lower sales of own brands, primarily Multipower, and partly by changed methods of distribution. The most significant decrease was recorded in the German market, which makes almost 70% of the total revenue of this business unit, and in the markets of United Kingdom and Italy.

* SKU Performance Monitor, AC Nielsen, February – March 2018

The increase in sales of the STRATEGIC DISTRIBUTION UNIT SERBIA is based on the increase in sales of own and principal brands, but also on the positive effect of the strengthening of the Serbian dinar. The growth of own brands is recorded in almost all sales categories, led by Turkish coffee under the Grand kafa and Bonito brands, espresso coffee under the Barcaffe brand, instant Turkish coffee Black'n'Easy, the Najlepše želje, Smoki, Bananica and Sweet brands from the snacks segment, Argeta from the savoury spreads segment, Granny's Secret from the gourmet segment and Cedevita and Donat Mg from the beverages segment. As of the beginning of 2018, the results of the business unit, in addition to retail, also include revenue from the HoReCa channel, which recorded an exceptional 23% growth, mainly due to the increase in sales of the redesigned Cockta, Barcaffe espresso and the new principal, Red Bull. It should be noted that the SDU Serbia recorded record-high sales in this half-year compared to the same period of previous years.

The STRATEGIC DISTRIBUTION UNIT CROATIA recorded a sales growth following the growth of both own and principal brands. Own brands recorded growth in all product categories, led by Argeta from the savoury spreads segment, Cedevita from the vitamin instant drinks segment, Barcaffe from the coffee segment (Turkish coffee and espresso), Kala and Kalnička in the waters segment, functional drink Donat Mg and products from the gourmet segment. Among principal brands, the biggest growth was recorded by Ferrero, Duracell, Unilever and Philips, and the new principal Mars. A double-digit sales growth was also recorded by the HoReCa channel, due to the redesign of Cockta, but also due to the growth in sales of other own and principal brands. An additional positive impact came from the normalisation of operations with a retail chain owned by Agrokor. It should be noted that SDU Croatia, even after the effect of revenue from the HoReCa channel is excluded, recorded record-high sales, if compared to the first halves of previous years.

The growth in sales of the STRATEGIC DISTRIBUTION UNIT SLOVENIA is based on the increase in sales of all product categories, led, among own brands, by coffee under the Barcaffe brand, savoury spreads under the Argeta brand, vitamin instant drink under the Cedevita brand and functional drinks under the Donat Mg brand. Among principal brands, the biggest growth was recorded by Ferrero and Rauch. The sales growth was in part caused by the normalisation of operations with Mercator retail chain. HoReCa segment continues to record double-digit growth rates.

GLOBAL DISTRIBUTION ACCOUNT MANAGEMENT recorded a decrease in sales primarily in Russian and Ukrainian markets caused by the decrease in sales of baby food under the Bebi brand. The revenue decrease was partly mitigated by the increase in sales in the markets of the United States of America, France and Kosovo.

OTHER SEGMENTS record an increase in sales following the increase in sales of all three segments (DU Macedonia, BU Gourmet and DU Austria).

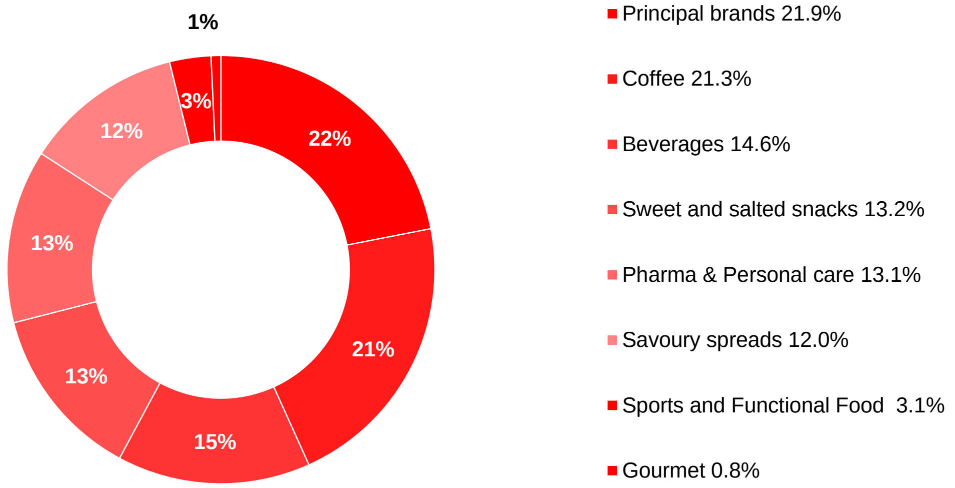
The DISTRIBUTION UNIT MACEDONIA recorded a sales growth due to the growth of own and principal brands. Among own brands, Grand in the Turkish coffee segment and Argeta in the savoury spreads segment stand out, while among principal brands, the most significant growth continues to be recorded by Fererro. HoReCa channel recorded a mild increase in sales following the growth in sales of Barcaffe espresso coffee, Cockta and the principal Ferrero.

The DISTRIBUTION UNIT AUSTRIA recorded a solid sales growth, with the growth of majority of own brands and principal brands, led by Argeta and beverages, especially Donat Mg, which compensated for the decrease in sales in the sports channel, caused by the decrease in sales of the sports and functional food segment. Savoury spreads under the Argeta brand continue to be the leading brand in the category in the market of Austria.

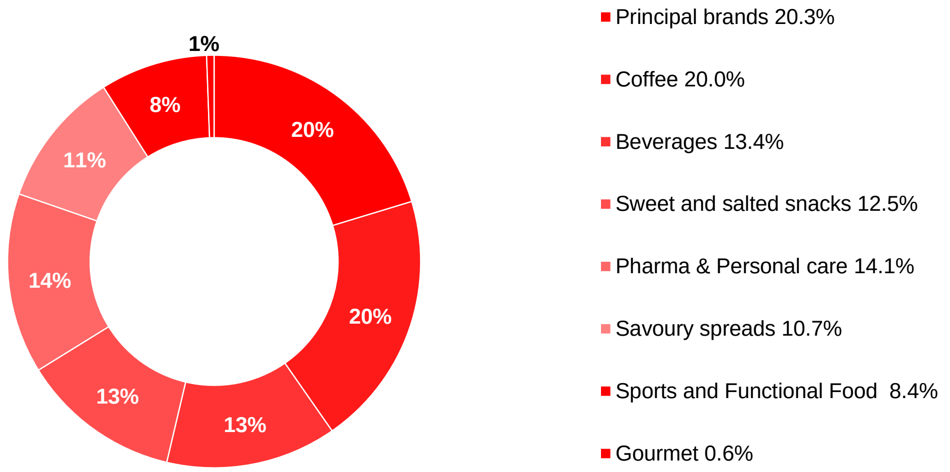
The BUSINESS UNIT GOURMET recorded a double-digit sales growth, primarily due to great results recorded in regional markets (Serbia, Croatia, Montenegro, Bosnia and Herzegovina) and in the markets of France and the United States of America. The growth was recorded primarily due to the *ajvar* category, and new premium jams with honey also show promising results.

SALES PROFILE BY SEGMENTS

H1 2018



H1 2017



SALES PROFILE BY MARKETS

(in HRK millions)	H1 2018	% of sales	H1 2017	% of sales	H1 2018/ H1 2017
Croatia	**796.7**	32.0%	735.5	29.6%	8.3%
Serbia	**597.4**	24.0%	563.2	22.7%	6.1%
Slovenia	**424.8**	17.1%	401.3	16.2%	5.9%
Bosnia and Herzegovina	**209.0**	8.4%	195.5	7.9%	6.9%
Other regional markets*	**170.2**	6.8%	155.0	6.2%	9.8%
Key European markets**	**147.7**	5.9%	217.8	8.8%	(32.2%)
Russia and CIS	**83.5**	3.4%	109.3	4.4%	(23.6%)
Other markets	**58.6**	2.4%	103.4	4.2%	(43.3%)
Total sales	**2,487.9**	100.0%	2,481.1	100.0%	0.3%

*Other regional markets: Macedonia, Montenegro, Kosovo
**Key European markets: Germany, Switzerland, Austria, Sweden
Comparative period has been adjusted to reflect current period reporting.

The MARKET OF CROATIA recorded a sales growth of as much as 8.3% due to the increase in sales of: (i) the pharmacy chain Farmacia, (ii) own brands, with growth recorded by all brands from the beverages segment (Donat Mg, Cedevita, Cockta, Kala), Barcaffe in the Turkish and espresso coffee segment, and Black'n'Easy instant Turkish coffee, Argeta in the savoury spreads segment, and (iii) external principals, among which the biggest growth was recorded by Ferrero, Duracell, Philips and the new principal Mars, as well as Nescafe in the HoReCa channel. The sales growth was partly also caused by normalised operations with Konzum and Tisak.

The MARKET OF SERBIA recorded an excellent sales growth of 6.1% following the great sales results of own brands, arising from the increase in sales of (i) Turkish coffee under the Grand kafa and Bonito brands and instant Turkish coffee under the Black'n'Easy brand, (ii) Najlepše želje, Smoki, Bananica and Sweet in the snacks segment, (iii) Argeta in the savoury spreads segment, (iv) Granny's Secret in the gourmet segment, and (v) Cedevita and Donat Mg in the beverages segment. Among principal brands, the most significant growth was recorded by Rauch and Alkaloid, and the new principal Red Bull also contributed to the sales growth.

The increase in sales of 5.9% in the MARKET OF SLOVENIA was recorded following: (i) the increase in sales of all coffee categories under the Barcaffe brand, (ii) the increase in sales of Cedevita, Donat Mg and Cockta in the beverages category, (iii) the increase in sales of Argeta in the savoury spreads category, and (iv) the increase in sales of principal brands Ferrero and Rauch, partly as a result of normalised operations with Mercator.

The significant sales growth of 6.9% in the MARKET OF BOSNIA AND HERZEGOVINA was recorded due to the increase in sales of: (i) savoury spreads under the Argeta brand, (ii) vitamin instant drinks under the Cedevita brand, functional drinks under the Donat Mg brand and Cockta, (iii) Turkish coffee Grand kafa and Barcaffe espresso, and (iv) *ajvar* and jams under the Granny's Secret brand.

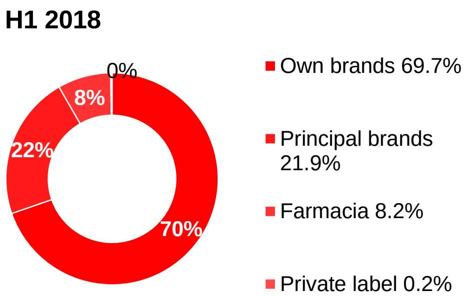
The increase in sales of 9.8% in OTHER REGIONAL MARKETS was recorded primarily due to the increase in sales in the market of Montenegro, but also the markets of Macedonia and Kosovo.

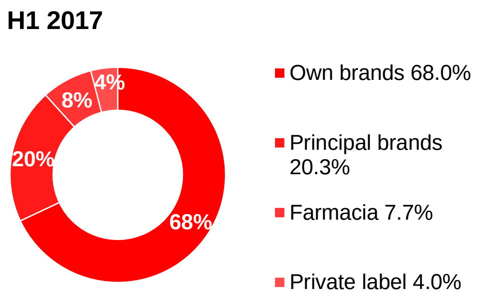
A significant decrease in sales in the KEY EUROPEAN MARKETS is a consequence of the decrease in sales on all markets, primarily caused by the decrease in sales of the sport and function food segment. If we exclude the effect of the decrease in the sports and functional food segment, sales grew by 12.7%.

The decrease in sales in the MARKET OF RUSSIA AND THE COMMONWEALTH OF INDEPENDENT STATES was primarily caused by the decrease in sales of baby food under the Bebi brand, partly compensated for by the increase in sales of the functional drink Donat Mg and savoury spreads under the Argeta brand.

OTHER MARKETS record a significant sales decrease due to the drop in sales in the sports and functional food segment. If we exclude the effect of the decrease in the sports and functional food segment, sales grew by 13.8%.

SALES PROFILE BY PRODUCT CATEGORY





In the first half of 2018, OWN BRANDS recorded 2.8% higher sales compared to the same period of the previous year, i.e. sales amounted to HRK 1,734.1 million. The growth was recorded by almost all operating segments, and the greatest contribution was made by: (i) Cedevita and Donat Mg in the beverages segment, (ii) Argeta in the savoury spreads segment, (iii) Barcaffe, Grand and Bonito in the coffee segment, and (iv) Smoki, Bananica and Najlepše želje from the snacks segment. If we exclude the effect of the decrease in own brands from the sports and functional food segment, the revenue increased by 5.3%.

With HRK 546.8 million, PRINCIPAL BRANDS recorded an increase in sales of 8.3%. The growth is mainly based on the increase in sales of principals Ferrero, Rauch and Duracell and the sales of products from the portfolio of new principals Mars and Red Bull.

The pharmacy chain FARMACIA recorded sales of HRK 202.2 million, which is a 6.4% growth compared to the first half of 2017, due to the increase in sales of the existing Farmacia locations and newly-opened specialised stores. In 2018, one new location was opened and now Farmacia consists of 85 pharmacies and specialised stores.

With sales of HRK 4.8 million, PRIVATE LABELS recorded a 95.2% decrease in sales, following the disinvestment of service production in the sports and functional food segment at the end of October 2017, which had accounted for the largest portion of the overall production of private labels.

PROFITABILITY DYNAMICS

(in HRK millions)	H1 2018	H1 2017	H1 2018/ H1 2017
Sales	**2,487.9**	2,481.1	0.3%
EBITDA	**296.4**	281.5	5.3%
EBIT	**222.9**	204.1	9.2%
Net profit	**167.8**	154.4	8.7%
Profitability margins			
EBITDA margin	**11.9%**	11.3%	+57 bp
EBIT margin	**9.0%**	8.2%	+73 bp
Net profit margin	**6.7%**	6.2%	+52 bp

In the first half of 2018, Atlantic Grupa recorded **EBITDA** in the amount of HRK 296.4 million, which is a 5.3% increase compared to the same period of the previous year. The increase in EBITDA was mainly impacted by higher sales in most business units, lower costs of production materials, despite the increase in cost of goods sold and staff costs and marketing expenses.

Following the sale of two factories in the sports and functional food segment, the depreciation is 5.1% lower, which had an additional positive effect on EBIT, which grew by 9.2%. Under the impact of lower net foreign exchange gains, and despite lower finance costs, net profit before minorities grew somewhat slower, i.e. by 8.7%.

OPERATING EXPENSES STRUCTURE

(in HRK millions)	H1 2018	% of sales	H1 2017	% of sales	H1 2018/ H1 2017
Cost of goods sold	**653.2**	26.3%	**587.7**	23.7%	11.1%
Change in inventory	**(2.5)**	(0.1%)	**(20.3)**	(0.8%)	n/a
Production materials	**688.6**	27.7%	**825.7**	33.3%	(16.6%)
Energy	**28.3**	1.1%	**27.7**	1.1%	2.3%
Services	**192.1**	7.7%	**196.6**	7.9%	(2.3%)
Staff costs	**406.7**	16.3%	**385.1**	15.5%	5.6%
Marketing and selling expenses	**165.8**	6.7%	**142.9**	5.8%	16.0%
Other operating expenses	**89.9**	3.6%	**88.0**	3.5%	2.1%
Other (gains)/losses, net	**0.5**	0.0%	**(14.1)**	(0.6%)	(103.3%)
Depreciation and amortization	**73.4**	3.0%	**77.4**	3.1%	(5.1%)
Total operating expenses	**2,296.0**	**92.3%**	**2,296.8**	**92.6%**	**(0.0%)**

The 11.1% increase in cost of goods sold is a consequence of higher sales of principal brands and transferring the production in the sports and functional food segment to the service partner, following the sale of two factories.
Costs of production materials are 16.6% lower, as a result of lower prices of raw materials, primarily raw coffee, sugar and cocoa.
Costs of services are lower primarily due to savings resulting from restructuring in the sports and functional food segment and reorganisation of distribution activities in Western European countries.
Staff costs increased due to sales growth and consequently higher variable payments. As at 30 June 2018, Atlantic Grupa had 5,615 employees, 47 less compared to the end of the same period of the previous year. The decrease in the number of employees is a consequence of the sale of two factories in the Strategic Business Unit Sports and Functional Food, while other business units increased the number of employees in line with the sales growth.
Marketing expenses increased by 16.0%, primarily due to higher investments in marketing in the beverages and coffee segments.
Other (gains)/losses – net: The absence of profit realised primarily on the basis of financial (forward) instruments in the coffee segment.

OPERATING RESULT OF STRATEGIC BUSINESS UNITS AND STRATEGIC DISTRIBUTION UNITS

(HRK million)	H1 2018	H1 2017	H1 2018/ H1 2017
SBU Coffee	**114.6**	98.4	16.4%
SBU Beverages	**91.6**	84.5	8.3%
SBU Pharma and Personal Care	**15.7**	31.8	(50.7%)
SBU (Sweet and Salted) Snacks	**70.3**	59.8	17.5%
SBU Savoury Spreads	**79.3**	65.9	20.3%
SBU Sports and Functional Food	**(25.9)**	(24.5)	(5.7%)
SDU Serbia	**11.5**	9.7	18.4%
SDU Croatia	**17.0**	16.5	3.0%
DU Slovenia	**20.1**	19.9	1.1%
Global Distribution Network Management	**7.9**	5.9	33.6%
Other segments*	**(105.7)**	(86.6)	(22.1%)
Group EBITDA	**296.4**	**281.5**	**5.3%**

STRATEGIC BUSINESS UNITS: The Strategic Business Unit Coffee records better profitability due to the increase in sales and lower prices of production materials, i.e. lower prices of raw coffee and a more favourable effect of the US dollar exchange rate. The Strategic Business Unit Beverages realises an increase in profit based on the revenue growth and lower prices of sugar. The Strategic Business Unit Pharma and Personal Care records a decrease in profitability following the decrease in sales of the baby food segment coupled with the unfavourable movements in the exchange rate of the ruble. The Strategic Business Unit Snacks recorded a significant profitability growth due to the sales growth coupled with lower costs of production materials (primarily cocoa), while the Strategic Business Unit Savoury Spreads recorded a significant profitability growth due to the increase in revenue and savings in costs of production materials. The Strategic Business Unit Sports and Functional Food records lower profitability following the decrease in sales.

STRATEGIC DISTRIBUTION UNITS AND DISTRIBUTION UNITS: The profitability growth in the SDU Serbia and SDU Slovenia is a result of the increase in sales and lower marketing expenses. The increase in profitability of the SDU Croatia is the result of higher sales, despite the increase in staff costs and costs of services. Global Distribution Account Management records profitability growth following lower receivables write-offs.

OTHER SEGMENTS: The DU Macedonia recorded lower profitability due to higher staff costs and costs of services, while the BU Gourmet owes the decrease in loss to the increase in revenue coupled with optimisation of costs of production materials and other costs savings. The DU Austria recorded lower profitability due to the unfavourable mix of products and customers and higher staff costs, and central functions record higher expenses following the increase in staff costs.

Comparative period has been adjusted to reflect current period reporting.

* Other segments include SDR HoReCa, SDU CIS&Baltic, BU Baby Food, DU Macedonia, BU Gourmet and business activities not allocated to business and distribution units (headquarters and support functions in Serbia, Slovenia, Bosnia and Herzegovina and Macedonia) which are excluded from the reportable operating segments.

FINANCIAL INDICATORS

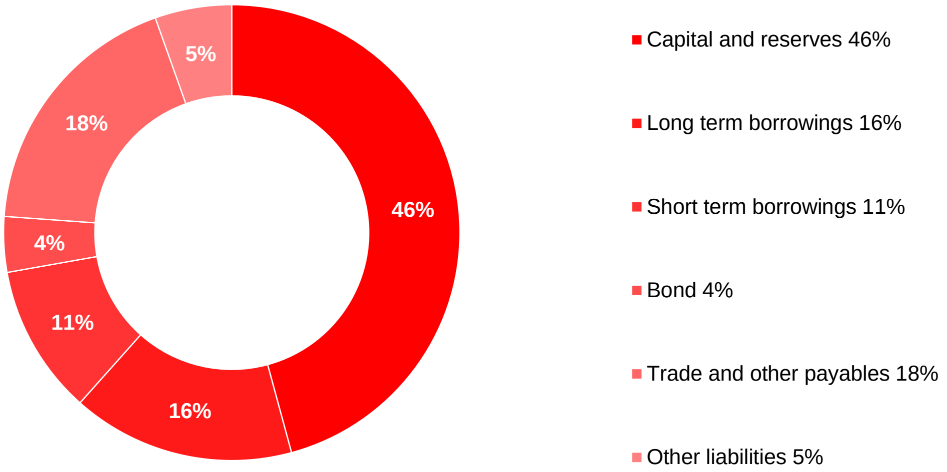
(in HRK millions)	H1 2018	FY 2017
Net debt	**1,141.9**	1,185.4
Total assets	**5,077.5**	5,126.4
Total Equity	**2,324.6**	2,249.8
Current ratio	**1.47**	1.47
Gearing ratio	**32.9%**	34.5%
Net debt/EBITDA	**2.15**	2.29
	H1 2018	H1 2017
Interest coverage ratio	**10.80**	8.02
Capital expenditure	**51.6**	58.3
Cash flow from operating activities	**124.6**	92.1

Comparative period has been adjusted to reflect current period reporting.

Among key determinants of the Atlantic Grupa's financial position in the first half of 2018, the following should be pointed out:

Due to the decrease in net debt of HRK 43.5 million compared to the end of 2017, the gearing ratio decreased by 157 basis points. The debt measured as the net debt to normalised EBITDA ratio dropped from 2.29 at the end of 2017 to 2.15 at the end of the first half of 2018. At the same time, the coverage of interest expense by normalised EBITDA in the comparative period increased from 8.0 to 10.8, and cash flow from operating activities increased from HRK 92.1 million to HRK 124.6 million.

THE ATLANTIC GRUPA'S EQUITY AND LIABILITIES STRUCTURE AS AT 30 JUNE 2018



OVERVIEW OF KEY ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

The increase in cash flow from operating activities in the first half of 2018 compared to the same period of the previous year is the result of improved profitability, lower finance costs and a favourable effect of foreign exchange differences.

Capital expenditure in the first half of 2018 primarily relates to investments in the production equipment of business units for the purpose of increasing the efficiency of production processes, in the development of new products and the development of IT infrastructure, business systems and applications.

Among significant investments, we should mention:

- SBU BEVERAGES: investment in Cockta redesign and the line for rigid packaging of Cedevita;
- SBU SNACKS: investment in automatisation and improved production efficiency and in retail points of sale;
- SBU COFFEE: purchase of espresso machines, investment in production equipment for the purpose of improving production efficiency;
- IT: investment in infrastructure, digital technologies and implementation of business applications and the replacement of equipment.

OUTLOOK
FOR 2018

Management expectations regarding sales revenue in 2018 have been revised since the publication of business results for the first quarter of 2018 on 26th April 2018, following the effect of the application of IFRS 15 Revenue from Contracts with Customers (explained in detail on page 4), while the expectations regarding profitability levels and interest expense remain unchanged.

(in HRK millions)	2018 Guidance	2017.	2018/2017
Sales	**5,300**	5,249	1.0%
EBITDA	**550**	517	6.3%
EBIT	**375**	342	9.8%
Interest expense	**45**	58	(23.1%)

If the effect of revenue realised on the basis of service production (private label) in the sports and functional food segment that in 2017 amounted to approximately HRK 194 million is excluded, the expected revenue growth in 2018 compared to 2017 will be 4.9%. If we exclude operating profit realised on the basis of this service production, the increase in EBITDA will be 9.6% while the increase in EBIT will be 13.3%.

In 2018, we expect capital expenditure in the amount of approximately HRK 160 million.

The expected effective tax rate in 2018 will remain at the same level as in the previous year.

ATLANTIC GRUPA d.d.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018 (UNAUDITED)

ATLANTIC GRUPA d.d.

CONSOLIDATED INCOME STATEMENT

in thousands of HRK, unaudited	Jan -Jun 2018	Jan - Jun 2017 (Restated)	Index	Apr - Jun 2018	Apr - Jun 2017 (Restated)	Index
Turnover	**2,518,963**	**2,500,953**	**100.7**	**1,364,686**	**1,384,116**	**98.6**
Sales revenues	2,487,930	2,481,119	100.3	1,345,194	1,371,497	98.1
Other revenues	31,033	19,834	156.5	19,492	12,619	154.5
Operating expenses	**(2,222,584)**	**(2,219,421)**	**100.1**	**(1,189,578)**	**(1,211,512)**	**98.2**
Cost of merchandise sold	(653,175)	(587,743)	111.1	(345,455)	(328,604)	105.1
Change in inventories	2,481	20,285	12.2	(1,267)	7,917	n/a
Production material and energy	(716,986)	(853,385)	84.0	(386,884)	(462,009)	83.7
Services	(192,085)	(196,631)	97.7	(100,077)	(103,540)	96.7
Staff costs	(406,663)	(385,086)	105.6	(208,543)	(199,410)	104.6
Marketing and selling expenses	(165,809)	(142,921)	116.0	(104,750)	(83,996)	124.7
Other operating expenses	(89,888)	(88,027)	102.1	(42,906)	(47,667)	90.0
Other losses - net	(459)	14,087	n/a	304	5,797	5.2
EBITDA	**296,379**	**281,532**	**105.3**	**175,108**	**172,604**	**101.5**
Depreciation and impairment	(73,441)	(77,419)	94.9	(36,742)	(38,747)	94.8
EBIT	**222,938**	**204,113**	**109.2**	**138,366**	**133,857**	**103.4**
Finance costs - net	(17,064)	(9,376)	182.0	(8,891)	(5,485)	162.1
Profit before tax	**205,874**	**194,737**	**105.7**	**129,475**	**128,372**	**100.9**
Income tax	(38,105)	(40,343)	94.5	(23,363)	(26,347)	88.7
Profit for the period	**167,769**	**154,394**	**108.7**	**106,112**	**102,025**	**104.0**
Attributable to:						
Non-controlling interest	179	316	56.6	79	212	37.3
Owners of the parent	167,590	154,078	108.8	106,033	101,813	104.1
Earnings per share for profit attributable to the owners of the Company						
- basic	50.29	46.24		31.82	30.56	
- diluted	50.29	46.24		31.82	30.56	

ATLANTIC GRUPA d.d.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of HRK, unaudited	Jan - Jun 2018	Jan - Jun 2017	Index	Apr - Jun 2018	Apr - Jun 2017	Index
Profit for the year	**167,769**	**154,394**	**108.7**	**106,112**	**102,025**	**104.0**
Cash flow hedge	8,572	(20,466)	n/a	8,284	(13,726)	n/a
Currency translation differences	(35,959)	(26,922)	133.6	(12,830)	12,411	n/a
Total comprehensive income	**140,382**	**107,006**	**131.2**	**101,566**	**100,710**	**100.8**
Attributable to:						
Non-controlling interest	113	245	46.1	54	199	27.1
Equity holders of the Company	140,269	106,761	131.4	101,512	100,511	101.0
Total comprehensive income	140,382	107,006	131.2	101,566	100,710	100.8

ATLANTIC GRUPA d.d.

CONSOLIDATED BALANCE SHEET

in thousands of HRK, unaudited	30 June 2018	31 December 2017
ASSETS		
Non-current assets		
Property, plant and equipment	974,869	999,866
Investment property	1,167	1,209
Intangible assets	1,719,567	1,750,216
Deferred tax assets	32,612	32,165
Available-for-sale financial assets	953	948
Trade and other receivables	84,840	95,239
	2,814,008	2,879,643
Current assets		
Inventories	601,435	547,278
Trade and other receivables	1,239,336	1,191,042
Prepaid income tax	16,983	5,029
Derivative financial instruments	10,217	-
Cash and cash equivalents	389,250	497,079
	2,257,221	2,240,428
Non-current assets held for sale	6,321	6,336
Total current assets	2,263,542	2,246,764
TOTAL ASSETS	**5,077,550**	**5,126,407**
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	133,372	133,372
Share premium	881,166	881,089
Treasury shares	(570)	(1,514)
Reserves	(79,749)	(52,428)
Retained earnings	1,386,584	1,285,668
	2,320,803	2,246,187
Non-controlling interest	3,776	3,663
Total equity	2,324,579	2,249,850
Non-current liabilities		
Borrowings	1,002,081	1,135,191
Deferred tax liabilities	160,761	162,652
Other non-current liabilities	2,833	3,017
Provisions	51,053	50,456
	1,216,728	1,351,316
Current liabilities		
Trade and other payables	935,509	903,144
Borrowings	539,303	546,060
Derivative financial instruments	-	1,226
Current income tax liabilities	26,542	21,341
Provisions	34,889	53,470
	1,536,243	1,525,241
Total liabilities	2,752,971	2,876,557
TOTAL EQUTIY AND LIABILITIES	**5,077,550**	**5,126,407**

ATLANTIC GRUPA d.d.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of Company					
in thousands of HRK, unaudited	Share capital	Reserves	Retained earnings	Total	Non-controlling interest	Total
At 1 January 2017	1,014,773	(80,964)	1,079,698	2,013,507	2,981	2,016,488
Comprehensive income:						
Net profit for the year	-	-	154,078	154,078	316	154,394
Cash flow hedge	-	(20,466)	-	(20,466)	-	(20,466)
Other comprehensive income	-	(26,851)	-	(26,851)	(71)	(26,922)
Total comprehensive income	-	(47,317)	154,078	106,761	245	107,006
Transactions with owners:						
Acquisition of non-controlling interest	-	-	(1,001)	(1,001)	-	(1,001)
Purchase of treasury shares	(7,431)	-	-	(7.431)	-	(7,431)
Share based payment	5,218	-	-	5,218	-	5,218
Transfer	-	(47,178)	47,178	-	-	-
Dividends relating to 2016	-	-	(46,888)	(46,888)	-	(46,888)
At 30 June 2017	1,012,560	(175,459)	1,233,065	2,070,166	3,226	2,073,392
At 1 January 2018	1,012,947	(52,428)	1,285,668	2,246,187	3,663	2,249,850
Comprehensive income:						
Net profit for the year	-	-	167,590	167,590	179	167,769
Cash flow hedge	-	8,572	-	8,572	-	8,572
Other comprehensive income	-	(35,893)	-	(35,893)	(66)	(35,959)
Total comprehensive income	-	(27,321)	167,590	140,269	113	140,382
Transactions with owners:						
Purchase of treasury shares	(1,936)	-	-	(1,936)	-	(1,936)
Share based payment	2,957	-	-	2,957	-	2,957
Dividends relating to 2017	-	-	(66,674)	(66,674)	-	(66,674)
At 30 June 2018	1,013,968	(79,749)	1,386,584	2,320,803	3,776	2,324,579

ATLANTIC GRUPA d.d.

CONSOLIDATED CASH FLOW STATEMENT

in thousands of HRK, unaudited	Jan - June 2018	Jan - Jun 2017
Cash flows from operating activities		
Net profit	**167,769**	**154,394**
Income tax	38,105	40,343
Depreciation, amortization and impairment	73,441	77,419
Gain from sale of subsidiaries	(1,647)	-
Gain on sale of property, plant and equipment	(372)	(1,686)
Provision for current assets	15,236	13,828
Foreign exchange differences - net	(24,492)	(25,378)
Decrease in provisions for risks and charges	(17,985)	(35,933)
Fair value gains on financial assets	(307)	(10,728)
Share based payment	2,957	5,218
Interest income	(990)	(2,201)
Interest expense	27,447	35,104
Other non-cash items, net	(215)	(4)
Changes in working capital:		
Increase in inventories	(63,186)	(75,137)
(Increase) / Decrease in current receivables	(37,185)	2,545
Increase in current payables	28,370	16,959
Cash generated from operations	**206,946**	**194,743**
Interest paid	(34,730)	(72,978)
Income tax paid	(47,643)	(29,622)
	124,573	**92,143**
Cash flow used in investing activities		
Purchase of property, plant and equipment and intangible assets	(99,744)	(71,363)
Proceeds from sale of property, plant and equipment and non-current assets held for sale	704	2,795
Proceeds from sale of subsidiaries	9,027	-
Proceeds from sale assets	-	18,750
Loans granted and deposits placed	(18,352)	(18,401)
Repayments of loan and deposits granted	2,528	1,087
Interest received	990	2,003
	(104,847)	**(65,129)**
Cash flow used in financing activities		
Purchase of treasury shares	(1,936)	(7,431)
Proceeds from borrowings, net of fees paid	-	90,377
Repayment of borrowings	(125,619)	(132,638)
Acquisition of interest in a subsidiary from non-controlling interests	-	(1,690)
	(127,555)	**(51,382)**
Net decrease in cash and cash equivalents	**(107,829)**	**(24,368)**
Cash and cash equivalents at beginning of period	497,079	490,730
Cash and cash equivalents at end of period	389,250	466,362

NOTE 1 – GENERAL INFORMATION

Atlantic Grupa d.d. (the Company) is incorporated in the Republic of Croatia. The principal activities of the Company and its subsidiaries (the Group) are described in Note 3.

The condensed consolidated financial statements of the Group for the six month period ended 30 June 2018 were approved by the Management Board of the Company in Zagreb on 25 July 2018.

The condensed consolidated financial statements have not been audited.

NOTE 2 – BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six month period ended 30 June 2018 have been prepared in accordance with IAS 34 – Interim Financial Reporting.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of 31 December 2017.

2.2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018.

The Group applies, for the first time, *IFRS 15 Revenues from Contracts with Customers* that require restatement of previous financial statements. The nature and effect of these changes are disclosed below.

IFRS 9 Financial Instruments and several other amendments and interpretations also apply for the first time in 2018 but their impact on the condensed consolidated financial statements is not material.

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The Group adopted IFRS 15 using the full retrospective method of adoption.

NOTE 2 – BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The effects of adopting IFRS 15 are as follows:

	2017
Sales revenues	(24,156)
Cost of merchandise sold	3,455
Marketing and selling expenses	20,701
Profit for the period	-

The effects relate to variable consideration paid to customers for placements in refrigerated showcases, additional placements of sales spots (display areas) and marketing activities agreed with customers on ad-hoc basis (such as leaflets). Since these services are not distinct and the Group does not obtain any rights or receive any benefit without selling products, the related expenses are reclassified from marketing and selling expenses to reduction of the revenue. Furthermore, since these costs are partially supported by principals, related support is reclassified from the reduction of marketing and selling expenses to the reduction of cost of merchandise sold.

NOTE 3 – SEGMENT INFORMATION

The business model of the Group is organized through six strategic business units which have been joined business unit Gourmet. The distribution business is organized to cover five largest markets – Croatia, Serbia, Slovenia, Macedonia and Austria and additionally, the Department of Global Distribution Account Management was established, covering the markets dominantly managed by distribution partners.

SBU – Strategic distribution unit
BU – Business unit
SDU – Strategic distribution unit
DU – Distribution unit

Strategic Management Council is responsible for strategic and operational issues. For more efficient management of individual business and distribution units, the organization unites similar business activities or products, shared markets or channels, together.

NOTE 3 – SEGMENT INFORMATION (continued)

Due to the fact that BU Gourmet, DU Macedonia and DU Austria do not meet quantitative thresholds, required by IFRS 8 for reportable segments, they are reported within Other segments. The Other segments category comprises also of non-allocable business activities (headquarters and support functions in Serbia, Slovenia, Bosnia and Herzegovina and Macedonia) which are excluded from the reportable operating segments.

Strategic Management Council monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on sales revenues and operating profit or loss. Group financing and income taxes are managed on Group basis and are not allocated to operating segments.

Sales of individual business units represent in market sales made to third parties (either directly through business units or through distribution units). Distribution units sales includes sales of own products also reported as business units sales. This double counting of own product sales is eliminated in the "Reconciliation" line. For the purpose of segmental profit calculation, sales between operating segments are carried out at arm's length.

Sales revenues* *(in thousands of HRK)*	**Jan-Jun 2018**	**Jan-Jun 2017**
SBU Coffee	531,417	497,775
SBU Beverages	364,187	332,207
SBU Pharma and Personal Care	332,566	356,910
SBU Snacks	327,791	310,603
SBU Savoury Spreads	299,310	266,038
SBU Sports and Functional Food	77,945	208,936
SDU Serbia	587,405	553,663
SDU Croatia	565,623	518,443
SDU Slovenia	424,416	400,930
Global Distribution Network Management	195,993	198,815
Other segments	155,370	143,948
Reconciliation	(1,374,093)	(1,307,149)
Total	**2,487,930**	**2,481,119**

* Comparative period has been adjusted to reflect current period reporting

NOTE 3 – SEGMENT INFORMATION (continued)

Business results	EBITDA*	
(in thousands of HRK)	**Jan-Jun 2018**	**Jan-Jun 2017**
SBU Coffee	114,553	98,432
SBU Beverages	91,578	84,525
SBU Pharma and Personal Care	15,693	31,840
SBU Snacks	70,311	59,835
SBU Savoury Spreads	79,287	65,894
SBU Sports and Functional Food	(25,856)	(24,459)
SDU Serbia	11,469	9,687
SDU Croatia	17,031	16,539
SDU Slovenia	20,117	19,890
Global Distribution Network Management	7,932	5,937
Other segments	(105,736)	(86,588)
Total	**296,379**	**281,532**

* Comparative period has been adjusted to reflect current period reporting

NOTE 4 – EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit of the Group by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares.

	2018	2017
Net profit attributable to equity holders *(in thousands of HRK)*	167,590	154,078
Weighted average number of shares	3,332,591	3,332,312
Basic earnings per share *(in HRK)*	50.29	46.24

Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there were no convertible dilutive potential ordinary shares.

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the six month period ended 30 June 2018, Group acquired property, plant and equipment and intangible assets in the amount of HRK 51,552 thousand (2017: HRK 58,276 thousand).

NOTE 6 - INVENTORIES

During the six month period ended 30 June 2018, the Group wrote down inventories in the amount of HRK 9,029 thousand due to damage and short expiry dates (2017: HRK 8,690 thousand). The amount is recognized in the income statement within ‘Other operating expenses’.

NOTE 7 – DIVIDEND DISTRIBUTION

According to the decision of the Company's General Assembly from 28 June 2018, distribution of dividend in the amount of HRK 20 per share, or HRK 66,674 thousand in total was approved. Dividend was paid out in July 2018 and at the 30 June 2018 dividend payable was stated in the balance sheet under Trade and other payables position.

NOTE 8 – RELATED PARTY TRANSACTIONS

Related party transactions that relate to balance sheet as at 30 June 2018 and 31 December 2017 and transactions recognized in the Income statement for the six month period ended 30 June are as follows:

(all amounts expressed in thousands of HRK)	**30 June 2018**	**31 December 2017**
RECEIVABLES		
Current receivables		
Other entities	125,204	105,089
LIABILITIES		
Trade and other payables		
Shareholders	73,893	14,629
Other entities	1,067	2,246
	74,960	16,875

	Jan – Jun 2018	**Jan – Jun 2017 (Restated)**
REVENUES		
Sales revenues		
Other entities	261,259	235,663
Other revenues		
Other entities	562	476
EXPENSES		
Marketing and promotion expenses		
Other entities	8,082	5,891
Other expenses		
Other entities	1,403	1,078
Finance cost - net		
Shareholders	7,219	6,784

NOTE 9 – EVENTS AFTER BALANCE SHEET DATE

Atlantic Grupa d.d. and the company Magdis d.o.o. from Zagreb signed the Sale and Purchase Agreement of the company Neva d.o.o. in July. The completion of the transaction is expected in the last quarter of this year.

Atlantic Grupa d.d.
Miramarska 23
Zagreb

Register number: 1671910

Zagreb, July 25th 2018

Pursuant to the article 407. to 410. of the Capital market Law (Official Gazette 88/08, 146/08 and 74/09) the President of the Management board of Atlantic Grupa d.d., Miramarska 23, Zagreb provide

MANAGEMENT BOARD'S STATEMENT OF LIABILITY

The consolidated and separate financial statements of Atlantic Grupa d.d. have been prepared pursuant to the International Financial Reporting Standards (IFRS) and Croatian Accounting Law.

The consolidated financial statements for the period from 1 January 2018 to 30 June 2018 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Group.
The management report for the period ended 30 June 2018 presents true and fair presentation of development and results of the Group's operations with description of significant risks and uncertainties for the Group.

President of the Management Board:

Emil Tedeschi

CONTACT

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ATLANTIC GRUPA
Joint Stock Company for Domestic and Foreign Trade
Miramarska 23, 10000 Zagreb, Hrvatska
tel: +385 (1) 24 13 900
fax: +385 (1) 24 13 901

The Company is registered with the Commercial Court of Zagreb
MBS: 080245039
MB: 1671910
PIN: 71149912416
Broj računa: HR4624020061100280870 Raiffeisenbank Austria d.d., Zagreb, Petrinjska 59
The number of shares and their nominal value: 3,334,300 shares, each in the nominal amount of HRK 40.00
Share capital: HRK 133,372,000.00, paid in full.

Management Board: Emil Tedeschi, M. Veber, N. Vranković, Z. Stanković
President of the Supervisory Board: Z. Adrović

www.atlanticgrupa.com