ATLANTIC GRUPA

FY09 Financial results

Zagreb – February 23rd, 2010

Growth in line with guidance despite harsh macro environment

- **Sales advanced to 2,199.4 million kuna**
  + 9.8% yoy based on reported figures
- **EBIT soared to 153.8 million kuna**
  + 18.9% yoy based on reported figures
- **EBIT (excluding the one-offs) surged to 146.2 million kuna**
  +13.0% yoy based on reported figures
  The HRK7.6m in one-offs refer to the non-recurring gain on acquisition of minority interest in Cedevita from the German development bank DEG lowered by the one-off cost arising from the transfer of Neva to new production facility
- **Net profit after minorities advanced to 85.1 million kuna**
  +23.9% yoy based on reported figures
  +12.8% yoy higher net profit after minorities (excluding the one-offs) of 77.4 million kuna

Chairman's comment

CEO of Atlantic Grupa, Emil Tedeschi commented the FY09 results and the expectations for FY10:

"Having delivered double-digit revenues growth accompanied with profitability enhancement, Atlantic Grupa yet again managed to deliver on expectations in harsh macroeconomic milieu bearing fruits from the business model stability and management's commitment. Alongside **Cedevita GO!** and **Multipower Active** as examples of innovative creation, the company continued with the expansion of the **pharmacy chain Farmacia** as well as the **distribution portfolio** with new brands. Simultaneously, considerable focus has been placed on **operating costs management** and therewith related increase in operating efficiency, as well as on liquidity maintenance, **stability in cash flow from operating activities** and prudent debt management.
We expect macro picture in 2010 to be even more challenging for the real sector and emphasize prudent risk management in business operations accompanied with innovations encouragement as an imperative in overcoming gloomy macroeconomic trends."

FY09 financial highlights

Key figures	2009	2008	Change 09/08
Sales (HRKm)	**2,199**	2,003	9.8%
Revenues (HRKm)	**2,225**	2,020	10.1%
EBIT margin*	**6.6%**	6.5%	+19 bps
Net income after minorities (HRKm)*	**77**	69	12.8%
Gearing ratio	**26.3%**	28.1%	

*Ex. one-offs

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The Company is registered with the Commercial Court in Zagreb, registration number: 080245039, OIB (personal identification number): 71149912416
Account number: 2484008-1101427897 Raiffeisen Austria d.d., Zagreb, Petrinjska 59. The authorized share capital: 98,799,800.00 kuna, paid in cash completely. The number of shares and their nominal value: 2,469,995, each in the nominal amount of 40,00 kuna. The management Board: Emil Tedeschi, M. Veber, N. Vranković, S. Nakić, M. Smetiško, Z. Stanković, Z. Brekalo, T. Matusinović. The president of the Supervisory Board: Z. Adrović.

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KEY DEVELOPMENTS in 2009

<u>Consumer HealthCare division:</u> Cedevita GO! – opportunity for further Cedevita consumption growth via new distribution channel

According to the latest data by the market research agency AC Nielsen in the period from December 2008 to November 2009, the vitamin instant drink Cedevita dominated with 91.5% market share on the Croatian vitamin instant drink market. Management considers the ability to preserve so high market share the consequence of considerable brand strength and brand awareness particularly when considering that according to the market research agency Canadean's data the entire soft drinks market shrunk by 6.0% yoy in 2009. In the period from December 2008 to November 2009, Cedevita as well dominated on the Slovenian vitamin instant drink market with 85.1% share while the entire Slovenian soft drinks market contracted by 3.3% yoy in 2009.

According to the AC Nielsen data, since its launch in February 2009 (orange flavour, while lemon flavour was launched in June) up to November, Cedevita GO! captured 3.3% of Croatian 'on-the-go' market (including all non-alcoholic beverages in packaging up to 0.75l) while in the same period the market tumbled by 12.0% yoy in terms of quantities and 7.8% yoy in terms of value. Considering the extended time period required to cover the entire market as well as delay in Cedevita GO! lemon flavour launch, the management finds delivered showing satisfying considering that the top-ranked player with long-term presence on Croatian 'on-the-go' market and sizeable marketing funds at disposal holds 15.1% value market share. While the latter signals Cedevita's brand strength, it as well indicates the fragmented character of Croatian 'on-the-go' market. In the period from the distribution start (lasted from February up to June) up to the end of 2009, Cedevita GO! delivered HRK50m in sales.

During 2009, Atlantic Grupa channelled HRK32m worth investment into Neva's new production facility on Rakitje location. Aiming to raise efficiency in the production of Neva's assortment, modernized facility located at 2,700 square metres on two floors comprises all necessary infrastructure required for production, warehouses and the system of waste water treatment.

<u>Distribution division</u>: New distribution deals in 2009 and 2010 aimed at continuous balancing of distribution portfolio

Throughout 2009, Atlantic Grupa commenced with distribution of new programs including distribution of Karolina assortment of sweet and salted snacks, Ferrero program for Slovenian market and Nestle's NESCAFE program for the HoReCa distribution channel. While new distribution deals positively impacted Atlantic Grupa's position as distributor, these as well positively impacted principals' operations by ensuring entire market coverage and appropriate products positioning. Following signed distribution deals in 2009, new distribution arrangements in 2010 indicate the strength of the company's distribution business, developed distribution infrastructure and the company's strategic orientation to three key factors: (i) strengthening of regional distribution position via geographical diversification of distribution portfolio and therewith related reduction in distribution marginal costs, (ii) building of balanced distribution portfolio that facilitates coping with turns in economic cycles and (iii) selective choice of principals.

- Following distribution deal signed in 2009 to distribute brands including Nutella, Kinder, Ferrero Rocher and Mon Cheri on the Slovenian market, one of the leading confectionary producer – **Ferrero** turned to Atlantic Grupa to distribute its **semifreddo program** (including Milk Schnitte and Kinder Pingui) on the Serbian market with start this February. Ferrero expressed confidence to Atlantic Grupa amidst results achieved hitherto, whereby Atlantic Grupa continued to strengthen its regional position in distribution business with this deal.
- Following distribution deal for the HoReCa channel, Rauch selected Atlantic Grupa as its partner in the distribution of **Rauch juices in the entire retail channel** (including all types of juices, nectars, ice teas, isotonics and ice coffee with brands Happy Day, Bravo, Nativa, Rauch ice tea) with planned commencement at the beginning of March.
- This March, Atlantic Grupa will commence with distribution of **impulse assortment from the company One2play** (one of the leading domestic suppliers of toys, multimedia content, etc. produced by well-known licence owners including Disney, Gormits, Ben Ten etc.). Distribution of impulse assortment includes distribution of product categories as mini toys, toys with sweets, DVDs with cartoons on Croatian, Slovenian and Macedonian markets. Distribution of this assortment with sizeable market potential reflects the company's focus on further diversification of Atlantic Grupa's distribution portfolio.

Sports and Functional Food division: Innovations in the product assortment

In the sports and functional food segment, the company launched innovative 'endurance line' last year – Multipower Active – aiming to achieve 3 strategic goals: (i) expanding consumer base by addressing wider consumer groups, i.e. consumers outside gyms and fitness centres, (ii) thoughtful extension of Multipower brand aimed at further strengthening of brand awareness as well as to additionally raise market shares and (iii) development of new trends in the sports and functional food segment signalling that Multipower's product assortment is designated for all sportsmen who train actively. In 2009, the line had the best sales showing in sports retail formats as well as in specialised sports shops for bicyclists and joggers on Italian, Dutch, UK, German and Austrian markets.

The Champ brand distributed through the 'drogerie' retail formats including DM, Rossman, etc. showed the most dynamic growth in the sports and functional food segment in 2009. This performance alongside sales growth in Multaben brand indicates development of new trends by which the sports and functional food segment approaches more intensively wider consumer base oriented towards healthier life style, and not exclusively consumer base oriented towards achieving top sports results.

Pharma division: Further expansion of pharmacy business, launch of drug wholesale business, expansion of the VMS/OTC assortment

- **Further expansion of the pharmacy business:** Throughout 2009, the Pharma division launched 9 new locations, of which 4 refer to pharmacies and 5 to specialized stores. Out of 9 new locations, 3 are situated in shopping malls (of which 2 in the newly opened Zagreb-based shopping malls, West Gate and Garden Mall). Namely, the Pharma division's management finds the pharmacy openings in shopping malls important for further development of pharmacy business since consumers more frequently visit shopping malls, while pharmacies in shopping malls sell more of higher margin assortment, including food supplements, non-prescription (OTC) drugs and other products with distribution organised primarily through pharmacies.
  Aiming to further reinforce its market position in the pharmacy segment as well as to consolidate pharmacies on the Croatian market, Atlantic Grupa acquired 49% share in the company Livia d.o.o. from Iceland-based Pharma Investment in last August.
- **Drug wholesale business:** Following the launch of the drug wholesale business on the Croatian market in 1H09 with the differentiated strategic focus on market niche (OTC, food supplements, medical cosmetics, medical aids, part of the FMCG assortment) via exclusive distribution deals, Atlantic Grupa's wholesale business ensured the entire market coverage by establishing cooperation with all pharmacy units (over 1,000 pharmacies and 120 specialised stores) by the end of 2009.
- **Expansion of the VMS/OTC assortment**: Under Dietpharm brand, 10 new products have been launched on the market of vitamins, minerals and food supplements throughout 2009, while 4 new products should be added to the market in 2010. Thanks to new product launches and stronger presence in the pharmacy chain Farmacia, Dietpharm brand retained the leading market position with 23.9% on the Croatian VMS market. During last year, division launched one new OTC product, whereby 2 OTC products have been redesigned (Purisan and Uvin H forte granules). For 2010, the division plans to launch 10 new OTC products reflecting thereby the company's medium-term focus on development of the OTC segment precisely due to profitability enhancement potential of the latter.
  Consequently to above-mentioned activities, Atlantic Grupa took all necessary activities in 2009 to ensure the vertical integration within the Pharma division: production of the VMS/OTC assortment under brands Dietpharm/Fidifarm – drug wholesale business – retail (pharmacy chain Farmacia).

Other events: Market making agreement for shares of Atlantic Grupe

At the beginning of February 2010, Erste vrijednosni papiri Zagreb d.o.o. commenced with market making service for shares of Atlantic Grupa. Therewith Atlantic Grupa became the first issuer in the Croatian equity universe with the market maker providing the extra liquidity. Decision to hire market maker reflects the company's both short- and long-term goals on domestic capital market: (i) to increase liquidity of shares, (ii) to enhance investment attractiveness of shares, (iii) to create additional stability particularly for small shareholders and ultimately (iv) the long-term strategy of listing in the prime market.

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SALES DYNAMICS IN FY09

Sales profile by division

in HRK thousands

2009	Distribution	Consumer Health Care	Sports and Functional Food	Pharma	Group
Gross sales	1,318,699	494,199	492,738	296,816	**2,602,451**
Intersegment sales					403,039
Consolidated sales					**2,199,413**
2008					
Gross sales	1,155,518	448,236	478,785	284,243	2,366,782
Intersegment sales					363,856
Consolidated sales					2,002,926
Change 9M09/9M08					
Gross sales	**14.1%**	**10.3%**	**2.9%**	**4.4%**	
Intersegment sales					
Consolidated sales					**9.8%**

Despite challenging macroeconomic trends on all markets where Atlantic Grupa operates, the company posted **9.8% yoy higher FY09 top-line** of **HRK2,199.4m** and therewith exceeded the management's guidance of HRK2,143m. Thereby, the Group sales surged on the back of top-line advance in all four divisions with Distribution division and Consumer HealthCare division spearheading the growth.

- Having delivered **14.1% yoy higher FY09 sales**, Atlantic Grupa's **distribution business** confirmed the size and the strength of its infrastructure region-wise. Geographically, division saw the highest sales growth rates in Slovenia and Serbia, whereby the commencement of the Ferrero program distribution (in August 2009) coupled with higher HoReCa sales largely stood behind the top-line showing on the Slovenian market. Distribution of the Ferrero assortment should additionally drive Slovenian sales growth in 2010. Serbian sales have been largely spurred by strengthening of the HoReCa distribution channel, launch of Cedevita GO! and sales growth of those product categories whose distribution launch was in 2008. Croatian sales have been largely driven by the launch of Cedevita GO!, new distribution contract in the HoReCa channel as well as distribution of Karolina's assortment of sweet and salted snacks. The company pays substantial attention towards the HoReCa distribution channel strengthening that accounts for ca. 10% of Distribution division's sales, whereby it finds Slovenia and Serbia alongside Croatia to have substantial potential for further expansion of the HoReCa channel. Namely, these offer potential thanks to combination of 2 factors: their tourist development potential as well as cultural-sociological factors related to consumers' lifestyles.

- **Consumer HealthCare division** delivered **10.3% yoy higher FY09 sales** on wings of new products' development with Cedevita GO! standing out as the dominant innovation in the company's product portfolio, but as well innovation in other product segments like the launch of Montana cakes and pies of extended freshness. The growth has as well come on wings of strong sales growth of Multivita's assortment on the Russian market. Considering development potential of Russian market coupled with long-term potential for personal consumption and available income of households growth, the company expects Multivita's assortment to continue delivering results on the Russian market. In addition, the company plans to open up Multivita's representative office in Moscow alongside the existing office of Atlantic Multipower with an aim to entirely exercise the potential of the Russian market.

- Despite unfavourable macroeconomic environment in the European countries where the **Sports and Functional Food division** largely operates, this division posted **2.9% yoy higher FY09 top-line** with the Swiss, Russian and Austrian markets delivering strong double-digit growth rates. Thereby, high Russian sales growth rates largely reflected switch to another distributer with more agile approach toward local fitness centres. The launch of new endurance line under Multipower brand has largely supported the Austrian and Swiss sales growth. The German market showed lower singl-digit growth rate thanks to the strength of the number one brand on the German market - Multipower brand as well as the sales growth of Champ brand (positioned in the lower price range) with the presence in the 'drogerie' retail channel (e.g. DM, Rossman, Kaufland, etc.). Precisely the latter delivered the most dynamic sales growth among the sports and functional food brands in FY09, whereby Multaben brand as well delivered solid sales performance in the functional food segment.

- **Pharma division** delivered 4.4% yoy higher FY09 sales amidst 12.5% higher Fidifarm's sales as well as lower single-digit growth rate in sales of the leading private pharmacy chain Farmacia. Slower growth of the Pharma division's sales came on the back of: (i) the spin-off of 2 pharmacies from the Health Institution Coner in exchange for the minority share for other pharmacies (from that Health Institution) that following the recent reorganization operate within the Health Institution Farmacia and (ii) inventories cut downs at outside drug-wholesalers amid introduction of Atlantic Grupa's own drug wholesale business. One should consider that two abovementioned pharmacies operated with little bit less than HRK30m in sales in FY08.

Multi-division summary by geographic zone

in HRKm	2009	% of total sales	2008	% of total sales	Change FY09/FY08	in CER terms
Croatia	**1,321.4**	60.1%	1,263.6	63.1%	**4.6%**	
Germany	**239.7**	10.9%	234.0	11.7%	**2.4%**	0.7%
Serbia	**130.8**	5.9%	98.5	4.9%	**32.8%**	50.5%
Slovenia	**118.4**	5.4%	49.6	2.5%	**138.9%**	134.8%
Bosna and Herzegovina	**76.2**	3.5%	67.9	3.4%	**12.1%**	10.3%
UK	**40.1**	1.8%	43.0	2.1%	**-6.9%**	2.1%
Italy	**43.0**	2.0%	44.0	2.2%	**-2.3%**	-3.9%
Other	**229.9**	10.4%	202.2	10.1%	**13.7%**	
Total sales	**2,199.4**	100.0%	2,002.9	100.0%	**9.8%**	

- The **Croatian market** posted 4.6% yoy higher sales of HRK1,321m, while accounting for a dominant share in total sales of 60.1% and adding 288bps to total sales growth. The showing has largely been spurred by the launch of Cedevita GO! and new distribution deals in the company's distribution portfolio. Management finds the performance satisfying considering harsh macro trends during 2009 with (i) contraction of real economic activity by 6.2% yoy in 9M09 and expected 2009 real GDP drop by ca. 6%, (ii) 8.8% yoy lower personal consumption in 9M09 amid abating consumer purchasing power, dwindling disposable income of households and additional fiscal squeeze (the 2-4% crisis tax and VAT hike by 1pp to 23%), (iii) adverse labour market trends with unemployment rate of 16.7% at the YE09 vs. 13.7% at YE08 as well as amplified workers' insecurity in job's maintenance, (iv) 5.8% yoy downturn in real 'core' retail trade (ex auto/motorcycles sales) in 2009 and (v) 3Q09 tourist income plummeting by 15.7% yoy coupled with expected more than EUR1bn yoy lower tourist spending in 2009.

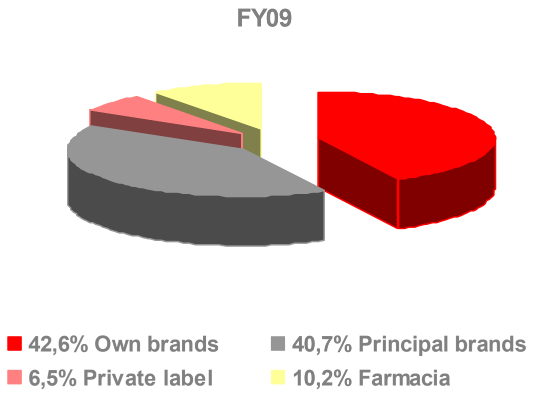
- The neighbouring markets of **Slovenia and Serbia** delivered the strongest FY09 top-line showing of 138.9% yoy (134.8% yoy in CER terms) and 32.8% yoy (50.5% yoy in CER terms), apiece. Geographically, precisely the Slovenian market posted the highest contribution of 344bps to the total top-line growth largely thanks to commencement of the Ferrero program distribution, but as well amidst the launch of Cedevita GO! and higher Cedevita sales in the HoReCa channel. The growth should be additionally accentuated once analyzed in light of downturn in Slovenian real economic activity by 8.6% yoy in 9M09 (4th subsequent quarter of contraction) coupled with 2.1% yoy fall in personal consumption and 3.4% yoy labour contraction in 3Q09. Excluding FX movements, Serbian market posted 50.5% surge in FY09 top-line spurred by the Cedevita GO! launch, Cedevita sales growth in all distribution channels, Multivita's assortment sales growth and external brands' sales advance. One should consider delivered sales figures in light of 3.5% drop in 9M09 real GDP as well as estimated

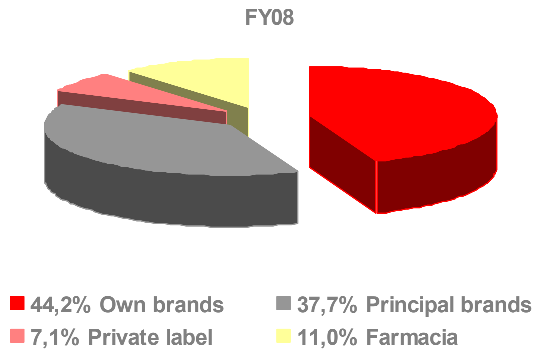
2.9% lower real GDP in 2009 coupled with dismal consumer purchasing power amidst acceleration in the unemployment rate to 16.6% in last October vs. 14.0% a year ago.

- On three key **West European markets**, only **German market** posted 2.4% higher sales largely thanks to the sales growth of the sports and functional food brand – Champ – sold in the 'drogerie' retail channel. Stripping off the FX movements, German sales grew 0.7% reflecting thereby 5.0% downturn in the economic activity in 2009, elevated unemployment rate of 8.2% in 2009 and 1.8% dip in the retail trade. The **UK market** saw its sales up 2.1% once excluding the GBP/HRK movements despite 4.8% fall in real GDP amidst 3.0% decline in the personal consumption and stepping up in the unemployment rate to 7.6% from 5.7% in 2008. The management finds delivered UK growth satisfying given suspension of sales and deliveries to one of key accounts during contract renegotiation in 1H09 that eventually completed successfully in May. The **Italian market** posted dismal top-line showing reflecting thereby negative macroeconomic dynamics in 2009 as evidenced by 4.8% lower real GDP.

- **Other markets** saw 13.7% higher sales on wings of sales growth in Multivita and Multipower's assortment in Russia as well as sales growth in Austrian and Swiss markets on the back of new endurance line launch in the sports and functional food segment under Multipower Active brand.

Sales profile





- Having advanced 5.8% yoy, the company's **own brands** account for a dominant 42.6% share in the Group's sales in line with the company's strategic focus on further development of its own brands. Namely, the management finds the latter of paramount importance for further profitability enhancement. The company's own brands added 257bps to total top-line growth. Delivered performance came on wings of (i) Cedevita GO! launch on the Croatian and regional markets, (ii) sales growth of Champ product assortment, (iii) sales growth of Multivita's assortment particularly on the Russian market and (iv) innovation in the sports and functional food segment amid the endurance line launch under Multipower Active brand.

- Driven by the continuous distribution portfolio expansion as the imperative of distribution's regular operations, **principal brands**' sales surged 18.8% and therewith expanded its share in total sales by 308bps to 40.7%. New distribution categories including Karolina's sweet and salted snacks assortment as well as Ferrero assortment for the Slovenian market stand out at the key growth generators. Distribution of the Ferrero program on the Slovenian market should realize its full potential in 2010.

- In line with the company's strategic focus to identify and consequently reduce lower-margin private label categories, **private label** sales dipped by 0.6% and thus saw their share in the company's total sales reducing.

- **Farmacia** posted 1.9% higher sales and thus 80bps lower share in total sales amidst already mentioned spin off of two pharmacies from ZU Coner. The management expects newly opened pharmacies at the end of the last year to see sales uplift in 2010.

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PROFITABILITY DYNAMICS in FY09

in HRKm	2009	2008	Change 09/08
Sales	**2,199.4**	2,002.9	9.8%
EBITDA	**197.0**	169.3	16.4%
EBITDA ex. one-offs	**189.4**	169.3	11.9%
EBIT	**153.8**	129.4	18.9%
EBIT ex. one-offs	**146.2**	129.4	13.0%
Net profit	**97.3**	78.4	24.2%
Net profit ex. one-offs	**89.7**	78.4	14.5%
Profitability margins			
EBITDA margin	**9.0%**	8.5%	+51 bps
EBITDA margin ex. one-offs	**8.6%**	8.5%	+16 bps
EBIT margin	**7.0%**	6.5%	+53 bps
EBIT margin ex. one-offs	**6.6%**	6.5%	+19 bps
Net profit margin	**4.4%**	3.9%	+51 bps
Net profit margin ex. one-offs	**4.1%**	3.9%	+17 bps

Key highlights:

- The FY09 profitability figures indicate management's focus on cost optimization as well as uplift in the business operations' efficiency. Namely, the company posted 18.9% yoy higher EBIT of HRK153.8m and 13.0% higher EBIT of HRK146.2m excluding the one-offs. The one-offs in the amount of HRK7.6m refer to HRK9.9m in non-recurring gain on acquisition of minority interest in Cedevita d.o.o. from the German development bank DEG (therewith Atlantic Grupa increased its ownership share in Cedevita d.o.o. by 30% to 81%) that has been lowered by HRK2.2m in one-off cost related to transfer of Neva to new production location in Rakitje.

- Additionally, profit margins excluding the one-offs improved on all profitability levels:

  - ✓ EBITDA margin: +16 bps to 8.6%
  - ✓ EBIT margin: +19 bps to 6.6%
  - ✓ Net profit margin: +17 bps to 4.1%

Division operating profitability

in HRKm	2009	2008	Change 09/08
Distribution	**31.2**	25.2	23.7%
Consumer Health Care	**86.8**	65.6	32.2%
Sports and Functional Food	**21.5**	16.0	34.2%
Pharma	**9.6**	21.8	-55.7%
EBIT	**149.2**	128.7	15.9%
Reconciliation	**4.7**	0.7	
Group EBIT	**153.8**	129.4	18.9%

- **Distribution division** posted 23.7% yoy higher EBIT of HRK31.2m thanks to continuously applied initiatives for operating efficiency improvement including the optimization of the distribution-logistics processes achieved by leasing the central warehouse under area of 10,000 square meters in Jankomir. Throughout 2009, the management paid particular attention towards sales force reorganization aiming to raise efficiency in the distribution's operating processes.

- Operating profitability improvements in the **Consumer HealthCare division** by 32.2% yoy to HRK86.8m have been spurred by activities introduced in 2009 as for example achieved cost savings in the raw materials procurement processes. Additionally, transfer of Neva's assortment production to new production facility in Rakitje in the investment worth of HRK32m should as well bring efficiency improvements in the production of Neva assortment (cosmetics and personal care products). One should consider that Atlantic Grupa will realize and therewith post HRK45m in net gain from the sale of Neva's former production location in Tuskanova in the FY10 financial results.

- Following 81% surge in FY08, the **Sports and Functional Food division** yet again delivered the strongest operating profitability enhancement of 34.2% in FY09 bearing fruits from finalised restructuring in the year earlier. Simultaneously, operating profitability improvements have also been aided by the efforts in identifying and afterwards reducing lower-margin private label deals as well as by further optimization in marketing and other activities.

- In line with the former communication, the **Pharma division** saw its EBIT down 55.7% yoy to HRK9.6m amid front-loaded costs emerging from the launch of new activities:

    - The first activity refers to the launch of the drug wholesale business with differentiated strategic approach. Namely, the launch of the wholesale business led to double-whammy negative impact on division's EBIT, firstly via front-loaded costs required for infrastructure set up including new hirings, logistics costs etc., secondly via Dietpharm's sales organization restructuring. Namely, the drug wholesale business launch has eventually resulted in circumventing of the external drug wholesalers whose stocks have consequently been cut back and thus led to lower sales of Dietpharm's assortment by Atlantic Grupa. The management expects to recoup initial investments accompanied with restructuring efforts in the forthcoming periods.

- The second activity refers to the launch of new pharmacies/specialised stores and therewith related front-loaded costs to set up the entire infrastructure including new employments, higher service expenses from leasing and furnishing pharmacies/specialised stores etc. Concurrently, the management expects these activities to deliver sales uplift in newly opened locations in the forthcoming periods.

Operating costs structure

In HRKm	2009	% of FY09 sales	2008	% of FY08 sales	Change 09/08
COGS	**1,044.5**	47.5%	929.6	46.4%	12.4%
Production materials & energy and changes in inventory	**271.9**	12.4%	264.4	13.2%	2.8%
Services	**154.6**	7.0%	127.7	6.4%	21.1%
Staff costs	**322.5**	14.7%	310.2	15.5%	3.9%
Marketing and promotion costs	**142.6**	6.5%	133.4	6.7%	6.9%
Other operating expenses	**100.7**	4.6%	85.3	4.3%	18.0%
Other (gains)/losses, net	**- 8.6**	-0.4%	0.3	0.0%	n/a
Total operating expenses	**2,028.2**	**92.2%**	**1,850.9**	**92.4%**	**9.6%**

Stripping off the one-offs from the other (gains)/losses, net item, the share of operating expenses in total sales rose only marginally to 92.6% from 92.4% in FY08 reflecting thereby the company's cost focus. Considering the operating expenses separately, one should highlight the following:

- **Costs of goods sold** – saw its share in total sales increase by 108bps to 47.5% from FY08 largely driven by sales mix changes amidst higher share of principal brands' sales in total sales.

- **Service costs** – saw their share in total sales increase by 66bps to 7.0% driven by production services for Cedevita GO! (filling bottles with water) and expenses in newly opened pharmacies/specialised stores.

- **Staff costs** – even though the number of employees increased to 1,719 at YE09 from 1,672 at YE08, the share of staff costs in total sales reduced to 14.7% from 15.5% in FY08 reflecting thereby an improvement in the productivity per employee.

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REVIEW OF THE 4Q09 PERFORMANCE

Key figures (HRKm)	4Q09	4Q08	Change 09/08
Revenues	**570.0**	510.6	11.6%
Sales	**565.1**	505.8	11.7%
EBITDA	**38.1**	28.7	32.8%
EBIT	**25.2**	19.2	31.1%
Net profit after minorities	**12.9**	6.1	112.4%
EBITDA margin	**6.7%**	5.7%	+107 bps
EBIT margin	**4.5%**	3.8%	+66 bps
Net profit margin	**2.3%**	1.2%	+108 bps

The 4Q09 performance confirmed the growth trend from the 9M09 period with low-teens sales growth and double-digit profitability growth on all levels and thus profit margins enhancement.

- The **4Q09 sales** advanced 11.7% yoy despite recessionary environment. Thereby, strong double-digit growth rates have been delivered by the Distribution and Consumer HealthCare divisions, whereby the former largely bore fruits from the distribution commencement of Ferrero program in Slovenia (since August 2009). The Sports and Functional Food division posted mid single-digit sales growth rate as key West European markets exited the recession. The Pharma division saw its sales down by mild single-digit rate amidst already mentioned spin off of 2 pharmacies out of Health Institution Coner since September last year.

- The **4Q09 profitability** surged strongly with operating profitability up 31.1% yoy and thus 66 bps higher EBIT margin. Division-wise, the strongest EBIT enhancements emerged in the Consumer HealthCare and Sports and Functional Food divisions with the former reflecting cost optimisation activities in 2009 and the latter bearing fruits from completed restructuring in 2008. Distribution division as well saw its operating profitability up following the continuation of the optimization processes in 2009, whereby the Pharma division posted deterioration in the operating profitability amid previously stated reasons.

- The **4Q09 net profit after minorities** more than doubled to HRK12.9m reflecting operating profitability improvement as well as lower FX losses and thus lower financial costs.

FINANCIAL INDICATORS in FY09

in HRKm	2009	2008**
Net debt	**270.6**	288.7
Total assets	**1,775.3**	1,726.6
Equity	**757.8**	740.3
Current ratio	**1.66**	1.76
Interest coverage ratio*	**6.9**	6.7
Gearing ratio	**26.3%**	28.1%
Net debt/EBITDA	**1.4**	1.7
Capex (net of receipts from sale)	**47.9**	55.9
Cash flow from operating activities	**110.1**	106.3

*Ex. one-offs
** FY08 has been restated

In FY09, the management paid considerable attention towards financial stability maintenance as the imperative for the operational stability maintenance. Consequently, the company's financial stability is evident from the following:

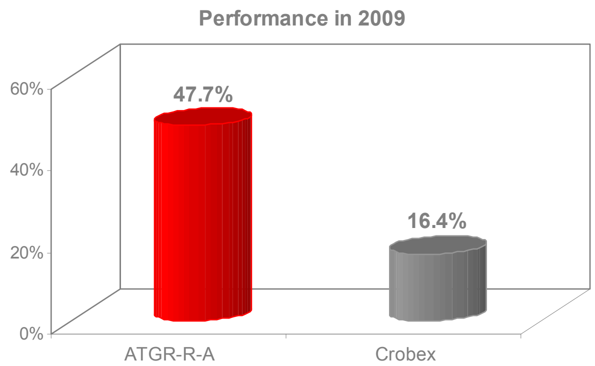
- Despite liquidity woes in the system, the continuously applied working capital management resulted in stability of the cash flow from operating activities at HRK110.1m.
- Liquidity indicators point to the management's continuous focus on liquidity maintenance within the company during gloomy macroeconomic environment. Consequently, the current ratio and the quick ratio remained stable at 1.7x and 1.3x, apiece. Concurrently, at the YE09, the company had nearly HRK220m in cash available for channelling towards either capex financing or acquisition of potential targets.
- In FY09, management exploited all available financial instruments in the debt management process and consequently used interest rate swap to fix the long-term financial debt cost below the rate of 5% in 1H09. Consequently, the interest coverage ratio improved to 6.9 times EBITDA from 6.7 times FY08 EBITDA and therewith additionally highlighted the company's ability to fulfil its financial obligations. Additionally, the gearing ratio of 26.3% coupled with financial debt-to-assets ratio at 0.3x and lowered net debt-to-EBITDA ratio at 1.4x vs. 1.7x in FY08 reflect the company's potential to raise additional debt if necessary. Simultaneously, the company maintained favourable maturity debt structure with the majority of long-term debt maturing in FY11 and beyond when credit conditions should improve.

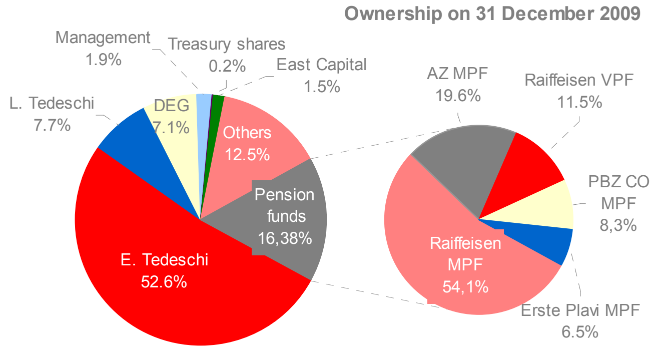
The FY09 capex (net of receipts from sale) in the amount of HRK47.9m reflects 3 key investments in: (i) development and production of Cedevita GO!, (ii) raising Cedevita's production capacities and (iii) Neva's new production facility in Rakitje.

ATLANTIC
GRUPA

PERFORMANCE ON THE CROATIAN CAPITAL MARKET IN 2009

Having rallied 47.7% in 2009, Atlantic Grupa outperformed the local benchmark Crobex, while delivering the fastest growth among all Crobex components. Atlantic Grupa as well outperformed the local benchmark in the last 2 years largely thanks to stable ownership structure with long-term investment horizon, delivering on both management and analysts' expectations and business model stability.





In Atlantic Grupa's ownership structure on 31 December 2009, all four domestic mandatory pension funds and one voluntary domestic pension fund accounted for stable 16.4% share, while one of the leading asset management companies in Eastern Europe, East Capital owned 1.5% share.

Valuation	2009*	2008
PPS (as of 31/12/)	681.0	465.0
MCap (HRK 000)	1,682,091	1,148,523
Average daily turnover (HRK)	361,052	1,262,835
EV (HRK 000)	1,985,353	1,515,763
EV/EBITDA	10.48	8.95
EV/EBIT	13.58	11.71
EV/sales	0.90	0.74
EPS (HRK)	31.40	27.84
P/E	21.69	16.70

* Ex. one-offs

OUTLOOK for FY10

Following the expected 6% downturn in the Croatian economic activity in 2009, macroeconomic prospects in 2010 for Atlantic Grupa's geographically dominant market – Croatia – remain rather gloomy largely amid negative impacts on personal consumption emerging from accelerated labour contraction (in January 2010 number of unemployed exceeded 300k, whereby the unemployment rate of 17.7% hit the highest level since March 2006), fiscal levies burdening disposable income of households, deteriorated consumer purchasing power as well as reduced retail lending. Simultaneously, the recent GfK survey indicated changes in the shopping habits of 90% of Croatian consumers amid the economic crisis that are reflected in higher focus on sales discounts and other promotion activities.
Given that macroeconomic risks for the region are still to the downside largely amid weakened domestic demand and elevated unemployment, the company expects operating environment on ex-YU markets to be even more challenging than in 2009. Even though the key European market where Atlantic Grupa operates, have exited the recession, the prospects for more sustainable recovery are still dim.

Considering the abovementioned macroeconomic prospects, the management is fully aware of the macroeconomic environment the company operates in and it consequently retained strategic determinants from 2009 aimed at coping with the concurrent harsh macroeconomic trends:

- **Each division's management should focus on innovations spurring organic growth with the contemporaneous identification of potential acquisition targets**
- **Continuous improvement of operating efficiency via conscious cost management**
- **Maintenance of financial stability ensuring business stability**
- **Liquidity maintenance**
- **Continuous business processes' optimisation in all operating divisions**

Alongside strategic determinants, the company will continue applying "the limited growth model" by continuously tracking customers' riskiness and collection process and consequently limiting receivables exposure to those customers that the company evaluates as risky.

Taking everything into account, the company's FY10 guidance is as follows:

In HRKm	2010 Guidance (ex. one-offs)*	2009 ex. one-offs	Change 10/09
Revenues	**2,320**	2,225	4.3%
Sales	**2,300**	2,199	4.6%
EBITDA	**200**	189	5.6%
EBIT	**155**	146	6.0%

*The HRK45m in one-offs in FY10 refer to net gain from the sale of Neva's former production location.

ATLANTIC GRUPA d.d.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (UNAUDITED)

ATLANTIC GRUPA d.d.

CONSOLIDATED INCOME STATEMENT

in thousands of HRK, unaudited	Jan - Dec 2009	Jan - Dec 2008 (restated)	Index	Oct - Dec 2009	Oct - Dec 2008 (restated)	Index
Turnover	**2,225,182**	**2,020,194**	**110.1**	**569,973**	**510,630**	**111.6**
Sales revenues	2,199,413	2,002,926	109.8	565,141	505,771	111.7
Other revenues	25,769	17,268	149.2	4,832	4,859	99.4
Operating expenses	**2,028,153**	**1,850,888**	**109.6**	**531,836**	**481,912**	**110.4**
Cost of merchandise sold	1,044,548	929,646	112.4	289,794	255,727	113.3
Change in inventories	-15,233	2,433	n/a	652	-197	n/a
Production material and energy	287,099	261,921	109.6	56,939	56,069	101.6
Services	154,596	127,651	121.1	38,734	35,815	108.2
Staff costs	322,481	310,245	103.9	81,964	80,628	101.7
Marketing and selling expenses	142,624	133,431	106.9	29,399	32,622	90.1
Other operating expenses	100,655	85,275	118.0	34,429	24,166	142.5
Other (gains)/losses - net	-8,617	286	n/a	-75	-2,918	2.6
EBITDA	**197,029**	**169,306**	**116.4**	**38,137**	**28,718**	**132.8**
Depreciation	31,618	30,432	103.9	8,883	6,832	130.0
Amortization	11,570	9,474	122.1	4,060	2,664	152.4
EBIT	**153,841**	**129,400**	**118.9**	**25,194**	**19,222**	**131.1**
Financial expenses - net	-26,904	-28,710	93.7	-7,226	-15,435	n/a
Share of profit of joint venture	150	160	93.8	150	160	93.8
EBT	**127,087**	**100,850**	**126.0**	**18,118**	**3,947**	**459.0**
Income tax	29,758	22,489	132.3	2,575	-1,102	n/a
Profit for the period	**97,329**	**78,361**	**124.2**	**15,543**	**5,049**	**307.8**
Attributable to:						
Minority interest	12,276	9,732	126.1	2,686	-1,003	n/a
Equity holders of the Company	85,053	68,629	123.9	12,857	6,052	212.4
Earnings per share for profit attributable to the equity holders of the Company						
- basic	34.50	27.84		5.22	2.45	
- diluted	34.50	27.84		5.22	2.45	

ATLANTIC GRUPA d.d.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of HRK, unaudited	Jan - Dec 2009	Jan - Dec 2008	Index	Oct - Dec 2009	Oct - Dec 2008	Index
Profit for the period	**97,329**	**78,361**	**124.2**	**15,543**	**5,049**	**307.8**
Currency translation differences	-1,752	-3,320	52.8	-377	-2,484	15.2
Cash flow hedge	-1,788	-	n/a	-1,788	-	n/a
Total comprehensive income	**93,789**	**75,041**	**125.0**	**13,378**	**2,565**	**521.6**
Attributable to:						
Minority interest	12,136	9,962		2,671	-807	
Equity holders of the Company	81,653	65,079		10,707	3,372	

ATLANTIC GRUPA d.d.

CONSOLIDATED BALANCE SHEET

in thousands of HRK, unaudited	31 December 2009	31 December 2008 (restated)
Property, plant and equipment	296,945	242,109
Intangible assets	449,414	483,653
Available-for-sale financial assets	35,041	35,041
Interest in joint venture	179	185
Trade and other receivables	10,718	5,097
Deferred tax assets	7,485	9,293
Non-current assets	799,782	775,378
Inventories	233,736	232,616
Trade and other receivables	512,768	506,277
Non-current assets held for sale	7,154	8,047
Prepaid income tax	4,128	1,599
Deposits given	143,129	2,514
Cash and cash equivalents	74,580	200,193
Current assets	975,495	951,246
Total assets	1,775,277	1,726,624
Capital and reserves attributable to equity holders of the Company	725,187	661,776
Minority interest	32,620	78,537
Borrowings	379,037	390,456
Deferred tax liabilities	45,989	51,391
Provisions	6,470	5,333
Non-current liabilities	431,496	447,180
Trade and other payables	448,110	408,612
Borrowings	109,314	100,929
Current income tax liabilities	10,626	8,958
Derivative financial instrument	1,846	-
Provisions	16,078	20,632
Current liabilities	585,974	539,131
Total liabilities	1,017,470	986,311
Total equity and liabilities	1,775,277	1,726,624

ATLANTIC GRUPA d.d.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of Company					
in thousands of HRK, unaudited	Share capital	Reserves	Retained earnings	Total	Minority interest	Total
At 1 January 2008	**409,591**	**4,875**	**191,094**	**605,560**	**68,619**	**674,179**
Net profit for the period	-	-	68,629	68,629	9,732	78,361
Other comprehensive income	-	-3,550	-	-3,550	230	-3,320
Total comprehensive income	-	-3,550	68,629	65,079	9,962	75,041
Acquisition of subsidiary	-	-	-	-	6,687	6,687
Purchase of treasury shares	-1,391	-	-	-1,391	-	-1,391
Share based payment	-	-	4,115	4,115	-	4,115
Dividends relating to 2007	-	-	-11,587	-11,587	-6,731	-18,318
At 31 December 2008	**408,200**	**1,325**	**252,251**	**661,776**	**78,537**	**740,313**
At 1 January 2009	**408,200**	**1,325**	**252,251**	**661,776**	**78,537**	**740,313**
Net profit for the period	-	-	85,053	85,053	12,276	97,329
Other comprehensive income	-	-3,400	-	-3,400	-140	-3,540
Total comprehensive income	-	-3,400	85,053	81,653	12,136	93,789
Acquisition of minority interest	-	-	-	-	-47,802	-47,802
Share based payment	-1,068	-	1,161	93	-	93
Purchase of treasury shares	-1,073	-	-	-1,073	-	-1,073
Dividends relating to 2008	-	-	-17,262	-17,262	-10,251	-27,513
At 31 December 2009	**406,059**	**-2,075**	**321,203**	**725,187**	**32,620**	**757,807**

ATLANTIC GRUPA d.d.

INTERIM CONSOLIDATED CASH FLOW STATEMENT

in thousands of HRK, unaudited	Jan - Dec 2009	Jan - Dec 2008
Cash flows from operating activities		
Net profit	**97,329**	**78,361**
Income tax	29,758	22,489
Depreciation and amortization	43,188	39,906
Gain on acquisition of minority interest	-9,856	-
Value adjustment of current assets	29,912	17,549
(Decrease)/increase in provisions for risks and charges	-3,417	3,625
Interest income	-11,739	-5,121
Interest expense	27,615	25,310
Other non-cash changes	-1,009	2,292
Changes in working capital:		
Increase in inventories	-21,839	-22,942
Increase in current receivables	-32,513	-79,901
Increase in current payables	20,270	69,467
Interest paid	-27,671	-24,872
Income tax paid	-29,922	-19,841
Net cash flow from operating activities	**110,106**	**106,322**
Cash flow from investing activities		
Purchase of tangible and intangible assets	-96,291	-55,888
Proceeds from sale of property, plant and equipment	3,877	1,803
Advance received for sale of tangible assets	48,416	-
Acquisition of subsidiary net of cash acquired	-	-226,215
Advances given for acquisition of subsidiaries	-27,624	-13,460
Loans and deposits given	-144,406	-9,045
Proceeds from loans and deposits given	3,496	13,100
Dividend received	164	-
Purchase of financial assets	-	-25
Interest received	10,868	5,121
Net cash flow used in investing activities	**-201,500**	**-284,609**
Cash flow from financing activities		
Purchase of treasury shares	-1,073	-1,391
Proceeds from borrowings	43,197	251,158
Repayments of borrowings	-48,830	-252,810
Dividend paid to minority interest	-10,251	-6,731
Dividend paid to equity holders of the Company	-17,262	-11,583
Net cash flow used in financing activities	**-34,219**	**-21,357**
Net decrease in cash and cash equivalents	**-125,613**	**-199,644**
Cash and cash equivalents at beginning of period	200,193	399,837
Cash and cash equivalents at end of period	74,580	200,193

NOTE 1 – GENERAL INFORMATION

Atlantic Grupa d.d. (the Company) is incorporated in the Republic of Croatia. Atlantic Grupa is the leading European producer of sports food with the Multipower brand, the largest regional producer of vitamin instant drinks and food supplements with Cedevita and Dietpharm brands, strong manufacturer of personal care products as well as the leading distributor of fast moving consumer goods in South-East Europe and the owner of the leading private pharmacy chain in Croatia under the brand Farmacia. The Group has manufacturing plants in Croatia and Germany with firms and representative offices in 9 countries. It exports its products to more than 30 markets worldwide.

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 year ended 31 December 2009 were approved by the Management Board of the Company in Zagreb on 22 February 2010.

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 for the year ended 31 December 2009 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 2008.

2.2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

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 2008, except for the adoption of new Standards and Interpretations as of 1 January 2009, as noted below:

IAS 1 (Revised) – Presentation of financial statements
The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements – the income statement and statement of comprehensive income.

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

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 2 (Amendment) – Share-based payment
The Standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group:
- IAS 23 (Revised) – Borrowing costs
- IAS 32 (Amendment) – Financial instruments: Presentation
- IAS 39 (Amendment) – Financial instruments: Recognition and measurement
- IFRIC 9 – Reassessment of Embedded Derivatives
- IFRIC 13 – Customer loyalty programmes
- IFRIC 16 – Hedges of a net investment in a foreign operation

Comparatives
In 2009 the Group identified that independent valuators did not include the value of licences related to minority owners of Health institutions acquired and that deferred tax liability on valuated licences has not been recognized. Since the valuation has been performed in 2008, the Group restated opening balances of intangible assets, minority interest and deferred tax liability.

In 2009 the Group reclassified external sales agents’ commissions from 'Marketing and selling expenses' to ‘Staff costs’. Also, the classification of income from bad debt receivables collected/reversed has changed from ‘Other income’ to deduction of ‘Other operating expenses’ while the income from the support from principals has been reclassified to deduction of 'Cost of trade goods sold'.

The effect of these changes on comparative figures for 2008 is as follows:

(in thousands of HRK)	2008
Increase of intangible assets	70,858
Increase of minority interest	29,337
Increase of deferred tax liability	41,521
Decrease of other income	(4,265)
Decrease of cost of merchandise sold	(1,837)
Increase of staff costs	7,344
Decrease of marketing and selling expenses	(7,427)
Decrease of other operating expenses	(2,343)

NOTE 3 – SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable segments – divisions as follows:

- The Distribution Division deals with the distribution of consumer goods including products of the Consumer Health Care and Sports and Functional Food divisions.

- The Consumer Health Care Division produces vitamin instant drinks, tea, sweets, cosmetics and personal hygiene products.

- The Sports and Functional Food Division specialises in development, production and sale of sports and functional food.

- The Pharma Division specialises in development and production of OTC products and food supplements as well as their sale through the pharmacy chain.

Management monitors the operating results of its business unites separately for the purpose of making decisions about resource allocation and performance assessment.

Sales between operating segments are carried out at arm's length.

NOTE 3 – SEGMENT INFORMATION (continued)

For the year ended 31 December 2009 (in thousands of HRK)	Distribution	Consumer Health Care	Sports and Functional Food	Pharma	Reconciliation	Group
Gross revenues /i/	1,330,946	503,169	498,376	300,196	8,314	2,641,001
Inter-segment revenues /ii/	21,281	379,242	2,519	12,777	-	415,819
Total revenues	**1,309,665**	**123,927**	**495,857**	**287,419**	**8,314**	**2,225,182**
EBITDA	41,936	105,757	27,788	14,921	6,626	197,028
Depreciation and amortization	10,729	18,974	6,254	5,275	1,955	43,187
EBIT	**31,207**	**86,783**	**21,534**	**9,646**	**4,671**	**153,841**
Total assets /iii/	480,440	458,183	144,634	557,944	-156,617	1,484,584
Total assets at 31.12.2008. /iv/	468,517	430,352	147,609	592,338	-176,107	1,462,709

For the year ended 31 December 2008 (in thousands of HRK)	Distribution	Consumer Health Care	Sports and Functional Food	Pharma	Reconciliation	Group
Gross revenues /i/	1,164,339	453,756	485,006	287,641	3,792	2,394,534
Inter-segment revenues /ii/	11,395	356,623	2,413	3,909	-	374,340
Total revenues	**1,152,944**	**97,133**	**482,593**	**283,732**	**3,792**	**2,020,194**
EBITDA	32,884	87,372	21,949	26,385	716	169,306
Depreciation and amortization	7,651	21,727	5,904	4,624	-	39,906
EBIT	**25,233**	**65,645**	**16,045**	**21,761**	**716**	**129,400**

/i/ The Company's gross revenues are not allocated to operating segments.

/ii/ Inter-segment revenues are eliminated on consolidation.

/iii/ Inter-segment receivables are eliminated on consolidation. Segment assets do not include property, plant and equipment of the Company (HRK 1,754 thousand), Company's intangible assets (HRK 1,407 thousand), deposits given (HRK 143,129 thousand), Company’s trade and other receivables (HRK 27,126 thousand), available-for-sale financial assets (HRK 35,041 thousand), interest in joint venture (HRK 171 thousand), deferred tax assets (HRK 7,485 thousand) and cash and cash equivalents (HRK 74,580 thousand).

/iv/ Inter-segment receivables are eliminated on consolidation. Segment assets do not include property, plant and equipment of the Company (HRK 481 thousand), Company's intangible assets (HRK 148 thousand), deposits given (HRK 2,514 thousand), Company’s trade and other receivables (HRK 16,060 thousand), available-for-sale financial assets (HRK 35,041 thousand), interest in joint venture (HRK 185 thousand), deferred tax assets (HRK 9,293 thousand) and cash and cash equivalents (HRK 200,193 thousand).

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 year, excluding ordinary shares purchased by the Company and held as treasury shares.

	2009	2008
Net profit attributable to equity holders (in thousands of HRK)	85,053	68,629
Weighted average number of shares	2,465,279	2,465,436
Basic earnings per share (in HRK)	34.50	27.84

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.

Dividends paid

According to the decision of the Company's General Assembly in June 2009 (in June 2008), distribution of dividend in the amount of HRK 7.00 per share, HRK 17,262 thousand in total was approved (2008: HRK 4.70 per share and HRK 11,587 thousand in total).

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT

During 2009, Group invested HRK 96,291 thousand in purchase of property, plant and equipment (2008: HRK 55,888 thousand). Majority of new investments is related to production capacity increases, Cedevita GO project and construction of new plant in Rakitje.

NOTE 6 - INVENTORIES

During 2009, the Group wrote down HRK 18,226 thousand of inventories due to damage and short expiry dates (2008: HRK 11,717 thousand). The amount is recognised in the income statement within Other operating expenses.

NOTE 7 – ACQUISITION OF MINORITY INTEREST

In January 2009 Group acquired additional 30% in subsidiary Cedevita d.o.o. for the amount of HRK 13,460 thousand. Net book value of minority interest at purchase date was HRK 23,316 thousand. Difference between acquisition cost and net book value of acquired minority interest in the amount of HRK 9,856 thousand (Note 8) is recognised in the income statement within Other (gains)/losses – net.

On 1 September 2009 Group acquired whole minority interest in 5 pharmacies out of Health Institution Coner. These pharmacies were merged to Health Institution Farmacia. As a replacement for minority interest, Group has conceded its share in Health Institution Coner to prior minority co-owners. Upon separation of 5 pharmacies, licences for two pharmacies that in previous period functioned under Pharma Division stayed within Health Institution Coner.

NOTE 8 – ONE-OFF ITEMS

One-off items in 2009 were as follows:

/i/ HRK 9,856 thousand gain from purchase of minority interest in subsidiary Cedevita d.o.o. (Note 7) and

/ii/ HRK 2,221 thousand related to transfer expenses of Neva production to new location. This transfer is related to sale of property on prior production location. Purchase/sale transaction is finished in beginning of 2010.

Atlantic Grupa d.d.
Miramarska 23
Zagreb

Register number: 1671910

Zagreb, 23 February 2010

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

MANAGEMENT BOARD'S STATEMENT OF LIABILITY

The consolidated 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 ended 31 December 2009 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 31 December 2009 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

CFO

Zoran Stanković

Contact:

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Investor relations

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