ATLANTIC
G R U P A

9M09 Financial results

Zagreb – October 30th, 2009

Continued growth accompanied with sound liquidity position despite gloomy macro trends

- **Sales climbed to 1,643.0 million kuna**
  + 9.7% yoy based on reported figures
- **EBIT surged to 128.6 million kuna**
  + 16.8% yoy based on reported figures
- **EBIT (excluding the one-offs) advanced to 121.0 million kuna**
  +9.8% yoy based on reported figures
  The one-offs in the amount of HRK7.6m refer to the non-recurring gain on purchase of minority interest in Cedevita from the German development bank DEG lowered by the one-time cost related to transfer of Neva to new production facility
- **Net profit after minorities rose to 72.2 million kuna**
  +15.4% yoy based on reported figures
  +2.6% yoy higher net profit after minorities (excluding the one-offs) of 64.2 million kuna

Chairman's comment

Commenting on the 9M09 figures, Emil Tedeschi, Chairman and CEO of Atlantic Grupa highlighted:

"Despite gloomy macroeconomic environment on all markets where Atlantic Grupa operates, 9M09 financial figures confirm stability and success of Atlantic Grupa's business model. Namely, the company delivered **operating efficiency improvements** on all business levels accompanied with top-line growth, while simultaneously paying focus on maintaining **sound liquidity position** and **stable cash flow from operating activities** as well as applying **prudent risk management**.
Contemporaneously, the management highlights flexibility, innovations and conscious cost control as key determinants for coping with unfavourable impacts of challenging macroeconomic trends on corporate sector in the remaining of 2009 as well as in 2010. "

9M09 financial highlights

Key figures	9M09	9M08	Change 9M09/9M08
Sales (HRKm)	**1,643**	1,497	9.7%
Revenues (HRKm)	**1,666**	1,511	10.3%
EBIT margin*	**7.4%**	7.4%	+1 bps
Net income after minorities (HRKm)*	**64**	63	2.6%
Gearing ratio	**29.0%**	31.2%	

*Ex. one-offs

KEY DEVELOPMENTS in 9M09

1. Cedevita GO! – new distribution channel for Cedevita

Following the launch of Cedevita GO! lemon flavour in June, data from the global market research firm AC Nielsen indicate an increase in the value market share of Cedevita in the period June-July to 4.0% on the fragmented 'on-the-go' market (including all non alcoholic beverages in packaging up to 0.75l) from 3.3% in the period April-May on wings of product innovation as well as Cedevita brand recognition with more than 90% market share in Croatia. Management finds reached market share noteworthy considering time flow since the distribution commencement and especially given that the top-ranked player with long-term presence on the Croatian 'on-the-go' market and sizeable marketing budget holds 14.2% value market share. Since the distribution start (in the period of February-June) by the end of 3Q09, the company delivered sales of HRK43.7m that is rather noteworthy taking into consideration that in the period June-July in 2009, Croatian 'on-the-go' market posted 21.5% yoy slump in terms of quantities and 18.2% drop in terms of value. Additionally, Croatian 'on-the-go' market posted relatively slower growth in terms of both quantity and value in June-July as opposed to April-May compared to the last year's growth in the same period. Considering delivered 9M09 sales as well as rather grim macroeconomic millieu, Atlantic Grupa expects sales from Cedevita GO! of HRK55m in FY09. Sales delivered hitherto indicate satisfying results region-wise, whereby in the retail formats Cedevita GO! posted strongest growth in hypermarkets/supermarkets and gas stations.

2. Commencement of Ferrero program distribution in Slovenia

Atlantic Grupa commenced with the Ferrero program distribution on another regional market – Slovenian market in August and therewith confirmed the strength of its distribution infrastructure. Moreover, with this deal, Ferrero expressed confidence to Atlantic Grupa's distribution capabilities largely on the back of results achieved on the Croatian market hitherto. Atlantic Grupa aims to increase availability of Ferrero brands (Kinder, Nutella, Ferrero Rocher, Tic Tac, etc.) in all distribution channels and therewith expects market share improvements on the Slovenian market.

3. Launch of new assortment in the Sports and Functional Food division

New endurance line – Multipower Active – has been mostly accepted by sportsmen outside fitness centres, especially cyclists, but as well by other consumer categories including joggers, triathlons, etc.. Thereby, the highest consumption has been achieved in specialised sports stores and cycling shops, while from the geographic perspective in Italy, Netherlands and UK. Achieved results can as well be ascribed to cooperation with the world-known manufacturer of cycling equipment and accessories – Shimano – for whom the company as well acts as the exclusive supplier of sports food. With new endurance line, Atlantic Grupa aims to additionally strengthen brand recognition in wider consumer base that should eventually lead towards higher market shares in West European markets, especially in Germany, France and Spain.

ATLANTIC GRUPA

Simultaneously, with development of endurance line, the company aims to become one of the key market players in the endurance segment in Europe within the next 3 years.

4. New acquisition and launch of pharmacies/specialised stores within Pharma division

In the 9M09, Atlantic Grupa continued with the focused expansion of pharmacy business aiming to further strengthen the leading privately-owned pharmacy chain in Croatia – Farmacia. Consequently, the company opened up 9 new locations ytd, of which 3 refer to pharmacies and 6 to specialised stores. In 3Q09 only, the company launched 4 new locations, of which 2 refer to pharmacies (both in Zagreb-based shopping malls) and 2 in specialised stores (in Zapresic and Varazdin). Pharma division's management considers positioning of pharmacies/specialised stores in newly opened shopping malls important for Atlantic Grupa's pharmacy business development for two reasons: (i) shopping malls are more and more frequently visited in Croatia and (ii) presence in shopping malls enables higher sales of higher margin assortment including food supplements, non-prescription (OTC) drugs and other products distributed in the pharmacy channel including fast moving consumer goods. Considering year-to-date pharmacy/specialised store launches, Atlantic Grupa's pharmacy chain currently counts 33 pharmacies and 8 specialised stores.

In the M&A area, Atlantic Grupa acquired 49% stake in the company Livia Ltd. from the Iceland-based Pharma Investment and therewith confirmed the company's strategic orientation on raising the company's market share in the pharmacy business as well as on competitive edge strengthening on the Croatian pharmacy market.

SALES DYNAMICS IN 9M09

Sales profile by division

in HRK thousands

9M09	Distribution	Consumer Health Care	Sports and Functional Food	Pharma	Group
Gross sales	968,042	392,935	376,510	223,861	**1,961,349**
Intersegment sales					318,365
Consolidated sales					**1,642,983**
9M08					
Gross sales	852,575	371,112	368,713	207,525	1,799,925
Intersegment sales					302,770
Consolidated sales					1,497,155
Change 9M09/9M08					
Gross sales	**13.5%**	**5.9%**	**2.1%**	**7.9%**	
Intersegment sales					
Consolidated sales					**9.7%**

In 9M09, Atlantic Grupa delivered **9.7% yoy higher sales of HRK1,643m** largely driven by higher sales in Distribution division and Pharma division, but as well sales growth in other two divisions. Thereby, the management finds posted growth satisfying taking into consideration challenging macroeconomic environment on all markets the company is operating.

- **Distribution division** posted the strongest top-line growth of 13.5% yoy boosted by several new distribution deals in the Atlantic Grupa's distribution portfolio since the commencement of 2009 as well as the launch of new product developed in-house – Cedevita GO!. Among new distribution deals, the most prominent ones refer to distribution of Karolina's assortment of sweet and salted snacks, new distribution deal in the HoReCa channel as well as distribution of Ferrero assortment in Slovenia with the start this August. The latter should provide noteworthy positive impact in the 4Q09 and the full-blown impact in FY10.

- **Consumer HealthCare division** delivered 5.9% yoy higher sales fuelled by development of new products in-house, whereby Cedevita GO! stands out as the most prominent innovation within the company in the last few years. Nevertheless, new product category in Montana's assortment related to cakes of extended freshness excerpts also as an innovation. Division's sales growth as well came on wings of sale of Multivita's assortment, particularly on the Russian market.

ATLANTIC GRUPA

- The 2.1% yoy higher top-line in the **Sports and Functional Food division** came in despite deteriorated macro backdrop on the European market whereby markets of Austria, Switzerland and Russia delivered double-digits growth. Thereby, growth on the Russian market reflected regulatory approvals for the Multipower's assortment. Contemporaneously, division's growth came on wings of strong positioning of Multipower's brand as well as growth of two other brands in the sports and functional food segment (positioned in the lower price ranges) – Champ and Multaben.

- The 7.9% yoy growth within the **Pharma division**'s top-line came on the back of 7.0% yoy higher sales in the leading privately-owned pharmacy chain Farmacia as well as 10.8% yoy higher Fidifarm's sales. The 7.0% yoy higher Farmacia's sales reflect lower single-digit sales growth of existing pharmacies as well as sales of newly opened pharmacy units. As already mentioned, only in 3Q09, the division launched 4 new pharmacy units, of which 2 refer to specialised stores and 2 to pharmacies.

Multi-division summary by geographic zone

in HRKm	9M09	% of total sales	9M08	% of total sales	Change 9M09/9M08	in CER terms
Croatia	**1,005.0**	61.2%	934.0	62.4%	**7.6%**	
Germany	**185.7**	11.3%	179.7	12.0%	**3.3%**	1.6%
Serbia	**87.7**	5.3%	67.9	4.5%	**29.2%**	49.2%
Slovenia	**65.6**	4.0%	37.1	2.5%	**76.8%**	73.7%
Bosna and Herzegovina	**61.6**	3.7%	53.4	3.6%	**15.4%**	13.6%
UK	**30.9**	1.9%	35.0	2.3%	**-11.6%**	-1.8%
Italy	**34.4**	2.1%	35.6	2.4%	**-3.4%**	-5.1%
Other	**172.1**	10.5%	154.5	10.3%	**11.4%**	
Total sales	**1,643.0**	100.0%	1,497.2	100.0%	**9.7%**	

- Accounting for 61.2% share of total top-line, **Croatian market** delivered 7.6% yoy higher sales of HRK1,005m (thereby contributing to total top-line growth by 474bp) on wings of three new moments in the company's model: (i) launch of Cedevita GO!, (ii) new distribution deals in the company's distribution mix and (iii) newly opened pharmacies and specialised stores. Thereby, the management finds delivered growth satisfying considering (i) gloomy macro trend with 1H09 GDP contracting by 6.5% yoy, (ii) personal consumption sinking 9.7% yoy in 1H09, (iii) deteriorating consumer purchasing power additionally burdened by the 2-4% crisis tax as well as VAT hike by 1pp to 23%, (iv) 4.2% yoy decline in real 'core' retail trade (ex-auto/motorcycles sales) in 8M09, (v) unemployment rate growth to 14.6% in September and (vi) lower tourist spending.

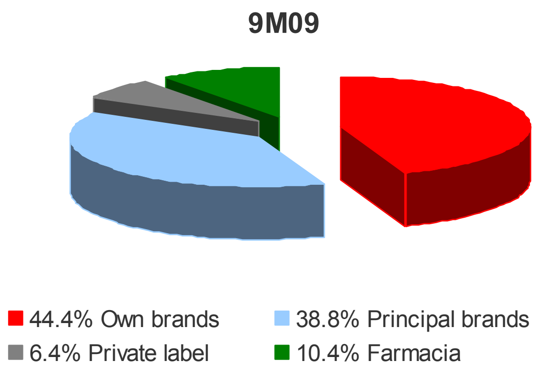
- Among foreign markets, Serbian and Slovenian markets contributed the most to total top-line growth by 133bp and 190bp, respectively. Thereby, despite economic downturn with GDP tumbling 4.1% yoy in 1H09, the **Serbian market** posted 29.2% yoy higher sales of HRK87.7m spurred by the launch of

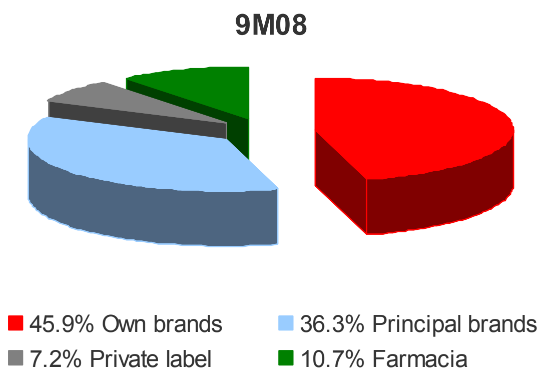
Cedevita GO!. The latter should aid in shrinking per capita vitamin instant drinks consumption gap between Serbia and Croatia (1.3L in Serbia vs. 12L in Croatia). The Cedevita's sales growth in the HoReCa channel coupled with sales growth of existing and new principal brands as well pushed Serbian sales up. The **Slovenian market** posted 76.8% yoy higher sales and therewith increased its share in total sales by 150bp to 4.0% amidst three key moments: (i) launch of Cedevita GO!, (ii) commencement of Ferrero program distribution and (iii) Cedevita sales growth in the HoReCa channel. Simultaneously, one should keep in mind that growth came against grim macro environment with 1H09 GDP sinking by 8.8% yoy.

- On three key **West European markets**, the **German market** saw its sales rising 3.3% yoy largely thanks to sales growth of two sports and functional food brands – Champ and Multaben. Management considers delivered growth satisfying particularly considering that 2Q09 real GDP was up (+0.3% qoq in Q2) for the first time in five quarters. The **UK market** posted 1.8% yoy lower sales in CER terms, whereby nominal decline amounted to 11.6% yoy when considering FX (GBP/HRK) movements. Lower sales in CER terms refer to suspension of sales and deliveries to one of key accounts during contract renegotiation that ultimately ended successfully in May. The **Italian market** delivered 5.1% yoy lower sales in CER terms and 3.4% yoy decline should one consider FX (EUR/HRK) changes, thereby largely reflecting economic downturn with 1Q09 GDP dipping 2.7% qoq and 0.5% qoq in 2Q09.

- **Other countries** delivered 11.4% yoy higher sales largely fuelled by sales of Multivita and Multipower's assortment in Russia, whereby sales of sports and functional food assortment posted remarkable growth on Austrian and Swiss markets.

Sales profile





- The company's **own brands** delivered 6.2% yoy growth, thereby accounting for 44.4% of total top-line and therewith confirming the Group's strategic focus on further development of own brands by remaining the dominant product category in the company's total sales. Own brands' sales growth reflects: (i) penetration of Cedevita instant vitamin drink in the 'on-the-go' segment, (ii) sales growth of sports and functional food brands – Champ and Multaben and (iii) low-teens growth in sales of Multivita's assortment.

- Fuelled by 17.4% yoy higher sales, **principal brands** saw their share in total sales increasing by 254bp reflecting thereby sales growth of new groups in the distributive sales mix including Karolina's assortment of sweet and salted snacks accompanied by additional push from the commencement of Ferrero program distribution in Slovenia this August.

- **Private label** segment delivered 2.0% yoy lower sales and therewith related further decline of share in the company's total top-line. The latter comes in line with the company's focus on identifying and thus lowering margin-dilutive private label sales.

- Accounting for 10.4% in total top-line, **Farmacia** delivered 7.0% yoy higher sales on wings of newly opened pharmacies and specialised stores teamed up with sales growth in existing pharmacies.

PROFITABILITY DYNAMICS in 9M09

in HRKm	9M09	9M08	Change 9M09/9M08
Sales	**1.643,0**	1.497,2	9,7%
EBITDA	**158,9**	140,6	13,0%
EBITDA ex. non-recurring gain	**151,3**	140,6	7,6%
EBIT	**128,6**	110,2	16,8%
EBIT ex. non-recurring gain	**121,0**	110,2	9,8%
Net profit	**72,2**	62,6	15,4%
Net profit ex. non-recurring gain	**64,2**	62,6	2,6%
Profitability margins			
EBITDA margin	**9,7%**	9,4%	+28 bps
EBITDA margin ex. non-recurring gain	**9,2%**	9,4%	-18 bps
EBIT margin	**7,8%**	7,4%	+47 bps
EBIT margin ex. non-recurring gain	**7,4%**	7,4%	+1 bps
Net profit margin	**4,4%**	4,2%	+21 bps

Key highlights:

- In 9M09, Atlantic Grupa saw operating profitability (EBIT) enhancement by 16.8% yoy to HRK128.6m. Thereby, EBIT improvement ex. one-offs came in at HRK121.0m (+9.8% yoy), whereby above mentioned one-offs in the amount of HRK7.6m refer to two key items: (i) HRK9.9m in non-recurring gain on purchase of minority interest in Cedevita from the German development bank DEG (the latter increased Atlantic Grupa's ownership in Cedevita by 30% to 81%) and (ii) HRK2.2m one-time cost related to transfer of Neva's production in new production facility (the cost has been recognised in 3Q09).

In HRKm	9M09	% of 9M09 sales	9M08	% of 9M08 sales	Change 9M09/9M08
COGS	**756.1**	46.0%	674.3	45.0%	12.1%
Production materials & energy and changes in inventory	**214.3**	13.0%	208.5	13.9%	2.8%
Services	**115.9**	7.1%	91.8	6.1%	26.2%
Staff costs	**235.6**	14.3%	223.6	14.9%	5.4%
Marketing and promotion costs	**127.1**	7.7%	106.8	7.1%	18.9%
Other operating expenses	**66.6**	4.1%	62.1	4.1%	7.4%
Other (gains)/losses, net	**- 8.5**	-0.5%	3.2	0.2%	n/a
Total operating expenses	**1,507.1**	**91.7%**	**1,370.3**	**91.5%**	**10.0%**

- The management highlights focused cost control coupled with business processes' optimisation as one of the key strategic determinants in raising operating efficiency during economic downturns. This has been largely reflected in modest growth of opex's share in total sales by 20bp to 91.7%. Consequently, Atlantic Grupa employed several activities in all divisions with ultimate aim of applying prudent cost control. These activities have resulted in profitability enhancements in Distribution, Consumer HealthCare and Sports and Functional Food divisions, while referring to the following:

  - In the **Consumer HealthCare division**: (i) production transfer of pressed candies from Germany to Cedevita's production facility and of granules in Multivita from the former contract producer Hemofarm to Cedevita's production plant, (ii) outsourcing of Cedevita tea production and (iii) Neva's production transfer to new location on Rakitje.
  - In the **Distribution division**: (i) optimisation of distribution-logistics processes by leasing central warehouse and (ii) reorganisation of sales force.
  - In the **Sports and Functional Food division**: identification and the consequent lowering of margin-dilutive private label sales.
  - In the **Pharma division**: (i) taking over Dietpharm's portfolio of vitamins, minerals and food supplements distribution from the former contract distributor in Serbia and (ii) launch of drug wholesale business.

- The management expects the transfer of Neva assortment's production to new production facility on Rakitje to improve the production efficiency. Namely, the production will be organised on 2,700 square metres on two floors, whereby modern facility will encompass production, warehouses, infrastructure and the system of waste water treatment. Following the transfer of production during the summer, trial production commenced this autumn, whereby effective production should de facto start in November. Even though the company reached the sale agreement for Neva's former production location in Tuskanova street, the sale will be formally finalised at the beginning of 2010 and consequently Atlantic Grupa will yield net gain of ca. HRK45m in FY10.

- Operating profitability deterioration in the Pharma division in 9M09 largely reflects inevitable front-loaded costs related to investments in two activities required for further development of the Pharma division. These activities refer to:

  - Launch of drug wholesale business with differentiated strategic focus on assortment including food supplements, non-prescription (OTC) drugs and other products whose distribution is channelled through pharmacy units (including medical cosmetics, medical aids, portion of the fast moving consumer goods, etc.) primarily through exclusive distribution deals. The drug wholesale business had twofold negative impact on the company's operating profitability by (i) demanding higher front-loaded costs for infrastructure development (including new hiring, logistics costs, etc.) and (ii) by resulting in restructuring of Dietpharm's sales organization amid bypass of external drug wholesale intermediary. Namely, the latter led to lower inventories at external drug wholesale intermediaries and thus lower sales of Dietpharm's assortment by Atlantic Grupa. The company expects to neutralise the negative impacts from front-loaded costs and additional adverse changes initially and then recoup the division's profitability in the periods ahead.

- New pharmacy/specialised stores openings demanded investments in the entire infrastructure including new staff costs, costs of furnishings for pharmacy units, rent costs etc.. Following the initial investment phase, the company expects sales uplift in the periods ahead.

- Within the opex structure, the strongest growth came from:

  - **Costs of goods sold** – higher share of COGS in total sales by 98bp yoy to 46.0% reflects changes in the company's sales mix with higher share of principal brands as well as newly opened pharmacies/specialised stores. Namely, appropriately COGS coupled with staff costs represent the most significant cost item in the pharmacy business.
  - **Service costs** – surge in share of this cost item in total top-line by 92bp to 7.1% reflects higher costs in newly opened pharmacies/specialised stores as well as production services related to Cedevita GO! as e.g. services of bottle filling with water.
  - **Marketing and promotion costs** – higher share in total sales by 60bp to 7.7% largely relates to investments in trade marketing activities in Slovenia amid commencement of Ferrero program distribution as well as marketing investments for Cedevita GO! and other products.

- Analysing 3Q09 separately, Atlantic Grupa delivered operating profitability (ex. one-offs) improvements by 7.1% yoy of HRK53.9m, while earnings before taxes (EBT ex. one-offs) eased by 4.5% yoy. Nevertheless, one should keep in mind that in 3Q08 the company had HRK4.8m in FX gains related to translation of loan liabilities according to the mid EUR/HRK rate of the Croatian National Bank at September 30 that had been at lower level compared to the end of 2Q08. Stripping off HRK4.8m in FX gains from financial income in 3Q08, EBT was up 5.7% yoy in 3Q09.

ATLANTIC GRUPA d.d., Miramarska 23, 10000 Zagreb, Hrvatska, TEL. 01/24 13 900, FAX 01/24 13 901, www.atlantic.hr
Tvrtka je upisana: Trgovački sud u Zagrebu, MBS: 080245039, Broj računa: 2484008-1101427897 Raiffeisenbank Austria d.d., Zagreb, Petrinjska 59
Broj dionica i njihov nominalni iznos: 22.340 dionica, svaka nominalnog iznosa 100,00 kn, Temeljni kapital: 2.234.000,00 kn uplaćen u cijelosti
Uprava: E.Tedeschi, M.Veber, N.Vranković, Z.Stanković, S.Nakić, M.Smetiško, Predsjednik Nadzornog odbora: Z.Adrović

ATLANTIC
G R U P A

FINANCIAL INDICATORS in 9M09

in HRKm	9M09	9M08
Net debt	**304.0**	297.1
Total assets	**1,731.4**	1,470.8
Equity	**744.3**	654.4
Current ratio	**1.67**	1.54
Interest coverage ratio*	**7.1**	7.5
Gearing ratio	**29.0%**	31.2%
Capex	**83.2**	51.2
Cash flow from operating activities	**67.4**	55.4

*Ex. one-offs

Taking into consideration harsh macro picture coupled with liquidity woes, Atlantic Grupa's management is focused on maintaining financial stability based on:

- Cash flow from operating activities surged by 21.5% yoy to HRK67.4m largely reflecting improvements in the working capital management area.
- Focus on liquidity maintenance is evident from the current ratio improvement to 1.7x from 1.5x at the end of 3Q08 as well as quick ratio at 1.2x at the end of 3Q09. Considering tougher macroeconomic environment as well as the most recent quakes in the corporate sector, the management finds maintaining stable liquidity position of paramount importance. Contemporaneously, one should consider that in times of rather scarce credit, the company's sound cash position of ca. HRK190m is available for potential acquisitions as well as capex financing.
- Maintaining favourable debt maturity structure considering that the largest part is due only in 2011 and beyond, when the management expects the credit conditions to improve. Meanwhile, the company applied the interest rate swap to fix its long-term cost of debt below 5% that resulted in high interest coverage ratio (ex. one-offs) of 7.1x with the latter reflecting the company's ability to fulfil its financial obligations. Simultaneously, gearing ratio standing at 29.0% coupled with financial debt/assets ratio of 0.3x reflects the company's ability to assume additional leverage as well as carefully thought debt management.

Increase in capex by HRK32m yoy to HRK83.2m largely reflects: (i) investments in Cedevita GO!, (ii) expansion of Cedevita's production capacities and (iii) investments in Neva's production facility on Rakitje.

OUTLOOK for FY09

Taking into consideration harsh macroeconomic milieu on all markets the company is operating and particularly on the largest in geographic terms – Croatian market (where IMF expects real economy to contract by 5.2% yoy in 2009, while the Croatian National Bank depicts 2010 as "the year of stagnation and without major structural changes in the real and financial sector"[1]), the management has created several strategic determinants aimed at coping with the current economic downturn:

- 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

Simultaneously, one should highlight that appropriately due to liquidity woes as well as emerging difficulties in the collection process, the company will continue applying the 'limited growth model' in the risk management area by limiting exposure toward riskier customers. The latter has already proved very useful particularly considering the most recent quakes in the corporate sector.

In the M&A area, Atlantic Grupa finds current milieu of significantly blown out acquisition premiums as good time for acquisitions that strategically fit the company's business profile while ensuring value-creative IRR.

Following the 9M09 figures, Atlantic Grupa maintains earlier communicated FY09 guidance. Thereby, one should keep in mind that these expectations reflect the company's organic development, i.e. excluding the HRK7.6m in the one-off items.

In HRKm	2009 Guidance	2008	Change 09/08
Revenues	**2,166**	2,024	7.0%
Sales	**2,143**	2,003	7.0%
EBITDA	**194**	169	14.3%
EBIT	**147**	129	13.4%

[1] www.hnb.hr, Dr. Željko Rohatinski, Presentation prepared for the weekly Lider „Days of big plans"

ATLANTIC GRUPA d.d.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTH PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

INTERIM CONSOLIDATED INCOME STATEMENT

in thousands of HRK, unaudited	Jan-Sep 2009	Jan-Sep 2008	Index	Jul-Sep 2009	Jul-Sep 2008	Index
Turnover	**1,665,947**	**1,510,909**	**110.3**	**590,315**	**549,288**	**107.5**
Sales revenues	1,642,983	1,497,155	109.7	581,917	545,774	106.6
Other revenues	22,964	13,754	167.0	8,398	3,514	239.0
Operating expenses	**1,507,055**	**1,370,321**	**110.0**	**528,450**	**489,172**	**108.0**
Cost of merchandise sold	756,125	674,308	112.1	269,425	254,517	105.9
Change in inventories	-15,885	2,630	n/p	9,483	7,475	126.9
Production materials and energy	230,160	205,852	111.8	68,027	68,643	99.1
Services	115,862	91,836	126.2	38,172	32,386	117.9
Staff costs	235,637	223,595	105.4	76,111	77,068	98.8
Marketing and selling expenses	127,052	106,836	118.9	42,526	25,874	164.4
Other operating expenses	66,642	62,059	107.4	22,437	20,136	111.4
Other (gains)/losses - net	-8,538	3,205	n/p	2,269	3,072	73.9
EBITDA	**158,892**	**140,588**	**113.0**	**61,865**	**60,116**	**102.9**
Depreciation	22,735	23,600	96.3	7,887	7,840	100.6
Amortization	7,510	6,810	110.3	2,260	1,913	118.1
EBIT	**128,647**	**110,178**	**116.8**	**51,718**	**50,363**	**102.7**
Financial expenses - net	19,678	13,275	148.2	6,574	742	n/p
EBT	**108,969**	**96,903**	**112.5**	**45,144**	**49,621**	**91.0**
Income tax	27,183	23,591	115.2	11,437	11,131	102.7
Profit for the period	**81,786**	**73,312**	**111.6**	**33,707**	**38,490**	**87.6**
Attributable to:						
Minority interest	9,590	10,735	89.3	3,070	3,663	83.8
Equity holders of the Company	72,196	62,577	115.4	30,637	34,827	88.0
Earnings per share for profit attributable to the equity holders of the Company						
- basic	29.29	25.38		12.43	14.12	
- diluted	29.29	25.38		12.43	14.12	

ATLANTIC GRUPA d.d.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of HRK, unaudited	Jan-Sep 2009	Jan-Sep 2008	Index	Jul-Sep 2009	Jul-Sep 2008	Index
Profit for the period	**81,787**	**73,312**	**111.6**	**33,728**	**38,490**	**87.6**
Currency translation differences	-1,375	-836	164.5	477	-945	-50.5
Total comprehensive income	**80,412**	**72,476**	**110.9**	**34,205**	**37,545**	**91.1**
Attributable to:						
Minority interest	9,476	10,769		3,113	3,695	
Equity holders of the Company	70,956	61,707		31,092	33,850	

ATLANTIC GRUPA d.d.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousands of HRK, unaudited	30 September 2009	31 December 2009
Property, plant and equipment	292,732	242,109
Intangible assets	407,996	412,795
Available for sale financial assets	35,041	35,041
Joint venture investment	21	185
Trade and other receivables	11,750	5,097
Deferred tax assets	6,242	9,293
Non-current assets	753,782	704,520
Inventories	262,129	232,616
Trade and other receivables	516,630	508,791
Assets held for sale	7,154	8,047
Prepaid income tax	3,978	1,599
Cash and cash equivalents	187,712	200,193
Current assets	977,603	951,246
Total assets	1,731,385	1,655,766
Capital and reserves attributable to equity holders of the Company	714,363	661,776
Minority interest	29,952	49,200
Long term debt	387,550	390,456
Deferred tax liability	9,312	9,870
Provisions	5,524	5,333
Non-current liabilities	402,386	405,659
Trade and other payables	455,658	408,612
Short-term debt	104,145	100,929
Current income tax liabilities	11,801	8,958
Provisions	13,080	20,632
Current liabilities	584,684	539,131
Total liabilities	987,070	944,790
Total equity and liabilities	1,731,385	1,655,766

ATLANTIC GRUPA d.d.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in thousands of HRK, unaudited	Attributable to equity holders of Company					
	Share capital	Reserves	Retained earnings	Total	Minority interest	Total
At 1 January 2008	**409,591**	**4,875**	**191,094**	**605,560**	**45,969**	**651,529**
Net profit for the period	-	-	62,577	62,577	10,735	73,312
Other comprehensive income	-	-870	-	-870	34	-836
Total comprehensive income	-	-870	62,577	61,707	10,769	72,476
Purchase of treasury shares	-1,283	-	-	-1,283		-1,283
Dividends relating to 2007	-	-	-11,587	-11,587	-6,731	-18,318
At 30 September 2008	**408,308**	**4,005**	**242,084**	**654,397**	**50,007**	**704,404**
At 1 January 2009	**408,200**	**1,325**	**252,251**	**661,776**	**49,200**	**710,976**
Net profit for the period	-	-	72,196	72,196	9,590	81,786
Other comprehensive income	-	-1,250	-	-1,250	-125	-1,375
Total comprehensive income	-	-1,250	72,196	70,946	9,465	80,411
Acquisition of minority interest	-	-	-	-	-25,146	-25,146
Share based payment	-887	-	579	-308	-	-308
Purchase of treasury shares	-789	-	-	-789	-	-789
Dividends relating to 2008	-	-	-17,262	-17,262	-3,567	-20,829
At 30 September 2009	**406,524**	**75**	**307,764**	**714,363**	**29,952**	**744,315**

INTERIM CONSOLIDATED CASH FLOW STATEMENT

in thousands of HRK, unaudited	Jan-Sep 2009	Jan-Sep 2008
Cash flows from operating activities		
Net profit	**81,786**	**73,312**
Income tax	27,183	23,591
Depreciation and amortization	30,245	30,410
Gain on acquisition of minority interest	-9,856	-
Value adjustment of current assets	12,151	8,951
Decrease in provisions for risks and charges	-7,361	-2,044
Interest income	-8,873	-4,253
Interest expense	21,210	18,745
Other non-cash changes	124	-581
Changes in working capital:		
Increase in inventories	-41,499	-23,431
Increase in current receivables	-23,527	-69,075
Increase in current payables	27,760	30,952
Interest paid	-17,657	-14,773
Income tax paid	-24,336	-16,374
Net cash flow from operating activities	**67,350**	**55,430**
Cash flow from investing activities		
Purchase of tangible and intangible assets	-83,157	-51,164
Advance received for sale of tangible assets	48,415	-
Acquisition of subsidiary net of cash acquired	-	-194,769
Advances given for acquisition of subsidiaries	-27,336	-
Proceeds from loans and deposits given - net	2,113	2,517
Dividend received	164	-
Interest received	5,148	4,253
Net cash flow used in investing activities	**-54,653**	**-239,163**
Cash flow from financing activities		
Purchase of treasury shares	-789	-1,283
Proceeds from borrowings	25,139	28,952
Repayments of borrowings	-28,699	-178,325
Dividend paid to minority interest	-3,567	-6,820
Dividiend paid to owners	-17,262	-10,774
Net cash flow used in financing activities	**-25,178**	**-168,250**
Net decrease in cash and cash equivalents	**-12,481**	**-351,983**
Cash and cash equivalents at beginning of period	200,193	399,837
Cash and cash equivalents at end of period	187,712	47,854

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 interim condensed consolidated financial statements of the Group for the nine months ended 30 September 2009 were approved by the Management Board of the Company in Zagreb on 15 October 2009.

The interim condensed consolidated financial statements have not been audited.

NOTE 2 – BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the nine months ended 30 September 2009 have been prepared in accordance with IAS 34 – Interim Financial Reporting.

The interim 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 interim 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 interim 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

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)

Nine months ended 30 September 2009 *(in thousands of HRK)*	**Distribution**	**Consumer Health Care**	**Sports and Functional Food**	**Pharma**	**Reconciliation**	**Group**
Gross revenues /i/	976,827	398,638	383,320	227,357	6,716	1,992,858
Inter-segment revenues /ii/	15,704	299,796	1,906	9,505	-	326,911
Total revenues	**961,123**	**98,842**	**381,414**	**217,852**	**6,716**	**1,665,947**
Total assets /iii/	483,591	483,013	155,125	512,013	-164,873	1,468,869
Total assets as at 31.12.2008. /iv/	468,517	430,352	147,609	521,480	-176,107	1,391,851

Nine months ended 30 September 2008 *(in thousands of HRK)*	**Distribution**	**Consumer Health Care**	**Sports and Functional Food**	**Pharma**	**Reconciliation**	**Group**
Gross revenues /i/	859,058	375,024	374,357	208,709	3,436	1,820,584
Inter-segment revenues /ii/	8,659	298,199	1,841	976	-	309,675
Total revenues	**850,399**	**76,825**	**372,516**	**207,733**	**3,436**	**1,510,909**

/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 563 thousand), Company's intangible assets (HRK 730 thousand), trade and other receivables (HRK 32,207 thousand), available-for-sale financial assets (HRK 35,041 thousand), interest in joint venture (HRK 21 thousand), deferred tax assets (HRK 6,242 thousand) and cash and cash equivalents (HRK 187,712 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), trade and other receivables (HRK 18,574 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 earning 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)	72,196	62,577
Weighted average number of shares	2,465,081	2,465,655
Basic earnings per share (in HRK)	29.29	25.38

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 the nine months ended 30 September 2009, Group invested HRK 83,157 thousand in purchase of property, plant and equipment (2008: HRK 51,164 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 the nine months ended 30 September 2009, the Group wrote down HRK 9,491 thousand of inventories due to damage and short expiry dates. The amount is recognised in the income statement within Other operating expenses.

NOTE 7 – ACQUISITION OF MINORITY INTEREST

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

On 1 September 2009, the Group acquired entire minority interest in 5 pharmacies from the Health Institution Coner and subsequently merged them to the Health Institution Farmacia. In exchange for minority interest, Group has conceded its share in Health Institution Coner to prior minority co-owners. Upon carve out of 5 pharmacies, licences for two pharmacies that hitherto acted upon the Pharma Division remained within the Health Institution Coner.

As a result of this transaction, goodwill value has increased in the amount of HRK 1,201 thousand.

NOTE 8 – ONE-OFF ITEMS

One-off items in nine months period ended 30 September 2009 were as follows:

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

/ii/ HRK 2,221 thousand related to transfer expenses of Neva production to new location. This transfer is related to the sale of property on prior production location. Purchase/sale transaction is expected to be completed in the beginning of 2010, upon obtaining all necessary documentation.

Atlantic Grupa d.d.
Miramarska 23
Zagreb

Register number: 1671910

Zagreb, October 30th, 2009

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 September 30, 2009 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Group.
The interim management report for the period ended September 30, 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:

Atlantic Grupa
Investor relations

+385 1 2413 908
ir@atlantic.hr