



Atlantic Grupa d.d.

Non-consolidated financial results for first nine months 2012

ATLANTIC GRUPA joint stock company for internal and external trade,

Zagreb, Miramarska 23, Croatia, tel: +385 (1) 24 13 900, fax: +385 (1) 24 13 901, www.atlanticgrupa.com.

The company is registered with the Commercial Court in Zagreb, registration number: 080245039, OIB (personal identification number): 71149912416.

Account number: 2484008-1101427897 Raiffeisenbank Austria d.d., Zagreb, Petrinjska 59; The authorized share capital: 133.372.000,00 kuna, paid in cash completely.

The number of shares and their nominal value: 3.334.300 shares, each in the nominal amount of 40,00kn.

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

Content:

- I. Report on business results for the nine months period ended 30 September 2012**

- II. Unaudited non-consolidated financial reports for the nine months period ended 30 September 2012**

- III. Statement of liability for preparation of financial reports**

General information:

Atlantic Grupa d.d. was incorporated in the Republic of Croatia in 2002. Atlantic Grupa d.d. is domiciled in Zagreb, Miramarska 23, Croatia. On September 30th 2012 Atlantic Grupa employed 79 employees.

Atlantic Grupa d.d. performs corporate activities such as planning entrepreneurial functions, organisation of principal activities, gathering and utilising financial assets, defining the strategy and development of business activities of the Atlantic Grupa.

Management Board members:

- ❖ Emil Tedeschi, President of the Management Board
- ❖ Mladen Veber, Senior Vice President for business operations
- ❖ Neven Vranković, Vice President for Corporate Affairs
- ❖ Zoran Stanković, Vice President for Finance, IT and Business Development

Supervisory Board members:

- ❖ Zdenko Adrović, President
- ❖ Lada Tedeschi Fiorio, Vice President
- ❖ Siniša Petrović, member
- ❖ Željko Perić, member
- ❖ Franz Josef Flosbach, member
- ❖ Saša Pekeč, member
- ❖ Vedrana Jelušić-Kašić, member

On September 30th 2012 share capital of Atlantic Grupa d.d. totalled HRK 133.372.000,00 divided into 3.334.300 ordinary shares in the nominal amount of HRK 40,00.

Key developments during the nine months period ended 30 September 2012:

As of the beginning of 2012, the new Management Board of Atlantic Grupa d.d. was reduced to four members. New Management Board members are:

- ❖ Emil Tedeschi, President of the Management Board
- ❖ Mladen Veber, Senior Vice President for business operations
- ❖ Neven Vranković, Vice President for Corporate Affairs
- ❖ Zoran Stanković, Vice President for Finance, IT and Business Development

In the first half of 2012, Franz-Josef Flosbach became new member of Supervisory Board replacing Karl Weinfurtnner.

Apart from aforementioned changes in Management and Supervisory Board, there were no additional significant developments in the nine months period ended 30 September 2012.

Financial results for the nine months period ended 30 September 2012:

During the nine months period ended 30 September 2012 Atlantic Grupa d.d. reported HRK 40,785,940.00 of operating income, attributed in total to other operating income.

In the same period, Atlantic Grupa d.d. reported HRK 58,671,788.00 of operating costs. Other expenses in the amount of HRK 25,286,291.00 related to maintenance, rent, sponsorship and other services, and also employee benefits expenses in the amount of HRK 24,117,256.00 represent the largest amount of operating costs. Employee benefits expenses refer to net salaries, tax and contributions from salary expenses and contributions on salary.

During the nine months period ended 30 September 2012 financial income amounted to HRK 4,056,705.00 while financial expenses amounted to HRK 23,626,442.00.

Atlantic Grupa d.d. reported HRK 38,068,152.00 of net loss in the nine month period ended 30 September 2012.

ATLANTIC GRUPA d.d.

**INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR NINE MONTH PERIOD ENDED 30 SEPTEMBER 2012
(UNAUDITED)**

Annex 1.

Reporting period

01/01/2012

to

30/09/2012**Quarterly financial report TFI-POD**Tax number (MB): **01671910**Company registration number: **080245039**Personal identification
number (OIB): **71149912416**Issuing company: **ATLANTIC GRUPA d.d.**Postal code and place: **10000****Zagreb**Street and house number: **MIRAMARSKA 23**E-mail address: **atlantic@atlantic.hr**Internet address: **www.atlantic.hr**

Municipality/city code and name

County code and name

Number of employees: **79**

(period end)

Consolidated report: **NO**NKD code: **51900**

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Bookkeeping service:

Contact person: **Ilincić Tatjana**

(only surname and name)

Telephone: **012413927**Telefaks: **012413002**E-mail address: **tatjana.ilincic@atlanticgrupa.com**Family name and name: **Stanković Zoran**

(person authorized to represent the company)

L.S.

(signature of the person authorized to represent the company)

BALANCE SHEET

AT 30 SEPTEMBER 2012

Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.474.940.649	1.474.308.829
I. INTANGIBLE ASSETS (004 do 009)	003	2.709.631	2.366.024
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	2.643.340	2.299.733
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008	66.291	66.291
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	2.895.697	6.651.490
1. Land	011		
2. Buildings	012	2.192.454	2.192.454
3. Plant and equipment	013		
4. Tools, working inventory and transportation assets	014	644.535	173.527
5. Biological assets	015		
6. Advances for purchase of tangible assets	016		4.226.801
7. Tangible assets in progress	017		
8. Other tangible assets	018	58.708	58.708
9. Investment in real-estate	019		
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	1.454.412.905	1.454.408.617
1. Share in related parties	021	1.453.933.898	1.453.934.293
2. Loans to related parties	022		
3. Participating interests (shares)	023	41.526	41.526
4. Loans to companies with participating interest	024		
5. Investments in securities	025	370	370
6. Loans, deposits, etc.	026	437.111	432.428
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	10.802.480	5.272.480
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031		
3. Other receivables	032	10.802.480	5.272.480
V. DEFERRED TAX ASSET	033	4.119.936	5.610.218
C) CURRENT ASSETS (035+043+050+058)	034	187.995.535	173.717.808
I. INVENTORIES (036 do 042)	035	0	0
1. Raw materials and supplies	036		
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039		
5. Advances for inventories	040		
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	184.197.612	171.843.031
1. Receivables from related parties	044	167.418.850	150.109.217
2. Receivables from end-customers	045	37.669	6.687
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	554.856	724.044
5. Receivables from government and other institutions	048	3.199.403	5.887.095
6. Other receivables	049	12.986.834	15.115.988
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	0	30.000
1. Share in related parties	051		
2. Loans to related parties	052		
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056		30.000
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	3.797.923	1.844.577
D) PREPAYMENTS AND ACCRUED INCOME	059	1.245.484	794.361
E) TOTAL ASSETS (001+002+034+059)	060	1.664.181.668	1.648.820.798
F) OFF BALANCE SHEET ITEMS	061		

BALANCE SHEET

AT 30 SEPTEMBER 2012

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.235.533.880	1.197.693.708
I. SUBSCRIBED SHARE CAPITAL	063	133.372.000	133.372.000
II. CAPITAL RESERVES	064	882.903.009	882.743.949
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	-370.603	-125.833
1. Legal reserves	066		
2. Reserve for own shares	067		
3. Treasury shares and shares (deductible items)	068	370.603	125.833
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	-4.727.484	-5.055.974
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	213.934.929	224.827.718
1. Retained earnings	073	213.934.929	224.827.718
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	10.422.029	-38.068.152
1. Net profit for the period	076	10.422.029	
2. Net loss for the period	077		38.068.152
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	9.367.488	8.158.051
1. Provisions for pensions, severance pay and similar liabilities	080	9.367.488	8.158.051
2. Provisions for tax liabilities	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 do 092)	083	266.551.459	251.275.100
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	117.681.752	102.560.460
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089	112.768.863	112.613.796
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091	36.100.844	36.100.844
9. Deferred tax liabilities	092		
D) CURRENT LIABILITIES (094 do 105)	093	150.775.732	190.498.939
1. Liabilities to related parties	094	89.417.642	130.049.878
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096	37.179.431	35.777.956
4. Liabilities for advances	097		
5. Trade payables	098	5.510.532	2.638.879
6. Commitments on securities	099	1.394.590	663.959
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	958.543	1.298.272
9. Taxes, contributions and similar liabilities	102	1.416.119	1.572.455
10. Liabilities arising from share in the result	103	22.288	22.288
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	14.876.587	18.475.252
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	1.953.109	1.195.000
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.664.181.668	1.648.820.798
G) OFF BALANCE SHEET ITEMS	108		
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109	1.235.533.880	1.197.693.708
2. Attributable to minority interest	110		

INCOME STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	41.522.835	11.177.070	40.785.940	12.781.750
1. Rendering of services	112				
2. Other operating income	113	41.522.835	11.177.070	40.785.940	12.781.750
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	35.117.452	4.336.836	58.671.788	22.721.493
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	48.051	16.683	54.113	12.895
a) Costs of raw materials	117	48.051	16.683	54.113	12.895
b) Cost of goods sold	118				
c) Other material expenses	119				
3. Employee benefits expenses (121 do 123)	120	19.387.063	5.787.907	24.117.256	8.067.820
a) Net salaries	121	9.168.081	2.787.427	11.364.001	3.844.582
b) Tax and contributions from salary expenses	122	7.362.828	2.137.412	9.284.217	3.100.779
c) Contributions on salary	123	2.856.154	863.068	3.469.038	1.122.460
4. Depreciation and amortisation	124	1.272.000	422.000	1.420.325	357.000
5. Other expenses	125	20.509.028	7.669.820	25.286.291	12.285.956
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129				
8. Other operating costs	130	-6.098.690	-9.559.574	7.793.803	1.997.821
III. FINANCIAL INCOME (132 do 136)	131	6.492.764	6.219.384	4.056.705	1.306.905
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	1.537.454	1.264.074	10.119	489
2. Interest, foreign exchange differences, dividends and similar income from third parties	133			4.046.586	1.306.416
3. Income from investments in associates and joint ventures	134	4.955.310	4.955.310		
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	23.159.296	9.858.672	23.626.442	7.685.648
1. Interest, foreign exchange differences, dividends and similar income from related parties	138	12.839.880	5.099.481	1.848.444	680.930
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	10.319.416	4.759.191	21.777.998	7.004.718
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+144)	146	48.015.599	17.396.454	44.842.645	14.088.655
X. TOTAL EXPENSES (114+137+143+145)	147	58.276.748	14.195.508	82.298.230	30.407.141
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-10.261.149	3.200.946	-37.455.585	-16.318.485
1. Profit before taxes (146-147)	149	0	3.200.946	0	0
2. Loss before taxes (147-146)	150	10.261.149	0	37.455.585	16.318.485
XII. TAXATION	151	0	0	612.567	-1.093.000
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-10.261.149	3.200.946	-38.068.152	-15.225.485
1. Profit for the period (149-151)	153	0	3.200.946	0	0
2. Loss for the period (151-148)	154	10.261.149	0	38.068.152	15.225.485
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155	-10.261.149	3.200.946	-38.068.152	-15.225.485
2. Attributable to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	-10.261.149	3.200.946	-38.068.152	-15.225.485
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	-328.490	183.266
1. Exchange differences from international settlement	159				
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162			-328.490	183.266
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	0	0	-328.490	183.266
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-10.261.149	3.200.946	-38.396.642	-15.042.220
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169	-10.261.149	3.200.946	-38.396.642	-15.042.220
2. Attributable to minority interest	170				

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-10.261.149	-37.455.585
2. Depreciation and amortisation	002	1.272.000	1.420.325
3. Increase of current liabilities	003	2.614.036	
4. Decrease of current receivables	004	14.105.911	15.155.785
5. Decrease of inventories	005		
6. Other cash flow increases	006	2.642.100	28.307.631
I. Total increase of cash flow from operating activities	007	10.372.898	7.428.156
1. Decrease of current liabilities	008		15.094.616
2. Increase of current receivables	009		
3. Increase of inventories	010		
4. Other cash flow decreases	011		
II. Total decrease of cash flow from operating activities	012	0	15.094.616
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	10.372.898	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	0	7.666.460
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015		36.114
2. Proceeds from sale of non-current financial assets	016	35.000.000	
3. Interest received	017	15.460.177	
4. Dividend received	018		
5. Other proceeds from investing activities	019	331.775.892	
III. Total cash inflows from investing activities	020	382.236.069	36.114
1. Purchase of non-current assets	021	1.965.040	4.868.625
2. Purchase of non-current financial assets	022	403.158.000	
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities	024	405.123.040	4.868.625
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	22.886.971	4.832.511
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027	62.221.000	
2. Proceeds from loans and borrowings	028	13.800.000	65.100.000
3. Other proceeds from financing activities	029		
V. Total cash inflows from financing activities	030	76.021.000	65.100.000
1. Repayment of loans and bonds	031	95.172.076	49.235.410
2. Dividends paid	032		
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034	2.390.061	5.318.965
5. Other cash outflows from financing activities	035	7.678.325	
VI. Total cash outflows from financing activities	036	105.240.462	54.554.375
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	0	10.545.625
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	29.219.462	0
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	41.733.535	1.953.346
Cash and cash equivalents at the beginning of period	041	58.570.821	3.797.923
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	41.733.535	1.953.346
Cash and cash equivalents at the end of period	044	16.837.286	1.844.577

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	133.372.000	133.372.000
2. Capital reserves	002	882.903.009	882.743.949
3. Reserves from profit	003	-370.603	-125.833
4. Retained earnings or loss carried forward	004	213.934.929	224.827.718
5. Net profit or loss for the period	005	10.422.029	-38.068.152
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009	-4.727.484	-5.055.974
10. Total equity and reserves (AOP 001 to 009)	010	1.235.533.880	1.197.693.708
11. Foreign exchange differences from foreign investments	011		
12. Current and deferred taxes	012		
13. Cash flow hedge	013	-1.226.000	-328.490
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016	9.196.062	-37.511.682
17. Total increase or decrease of equity (AOP 011 to 016)	017	7.970.062	-37.840.172
17 a. Attributable to majority owners	018	7.970.062	-37.840.172
17 b. Attributable to minority interest	019		



Atlantic Grupa d.d.
Miramarska 23
Zagreb

Register number: 1671910

Zagreb, 30 October 2012

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

MANAGEMENT BOARD'S STATEMENT OF LIABILITY

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

The non-consolidated financial statements for the nine month period ended 30 September 2012 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Group.

The management report for the nine month period ended 30 September 2012 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

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Contact:

Atlantic Grupa d.d.
Investor relations

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