



**ATLANTIC GRUPA d.d.**  
**Miramarska 23**  
**10 000 Zagreb**

SECURITY: ATGR-R-A / ISIN:HRATGRRA0003  
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### **Atlantic Grupa Signs Contract for Purchase of Foodland**

Atlantic Grupa signed the agreement on the acquisition of 100 percent of the company Foodland d.o.o. with headquarters in Belgrade and production plants in Igros at the base of the Kopaonik mountain range. Acquisition formally enters into force upon the approval of the Serbian Agency for Protection of Market Competition, expected at the beginning of next year. The company's overall revenue in 2014 is expected to amount to 8 million euros. Acquisition of this food company with its popular brand, *Bakina tajna (Granny's Secret)*, with its palette of supreme quality products, indicates the growth of Atlantic Grupa's brand assortment, and is an added impulse in the internationalization of its business. The Foodland range is present in over 20 countries, while approximately a third of its total production is exported to markets outside the region (Western Europe, America, Australia, Russia and Japan).

"The future development of the company and its product range need significant investment, and for this reason we have at length discussed the nature of capital increase with a series of potential partners. Atlantic Grupa has proven a very serious collaborator who is acquainted with the nature of our business, the way we work, the value of our brands, the gravity and commitment with which we approach our products – from their source to pedantic production based on the finest traditions of our grandmothers – up to packaging and shelving, which understands the need for investment and has a vision of development. Based on our deliberations we are convinced that we are dealing with a strategic investor who will know how to handle the Foodland brand, develop our portfolio, and amplify our market position. This is evident in the expertise demonstrated during due diligence and purchase negotiations, as in the overall experience and results from brands already acquired in Atlantic's system," explained the former majority owner of Foodland, Vaso Lekić.

"Foodland's products are a true gem of the food industry and the finest ambassadors of quality and potential of genuine regional food production globally. *Granny's Secret* offers jams, sweets, and juices from unique local fruits – be it wild blackberries, strawberries, cornelian cherries or nettle – with perfect traceability and prepared the old-fashioned way. The crown jewel is obviously our homemade red-pepper chutney (ajvar), recognized as a delicatessen product by international food retail chains such as the Swedish Coop, Australian Woolworths or American Ross, as well as premium retailers such as French Lafayette and Le Bon Marché, Swiss Globus, Swedish Hemkop, British Selfridges, Russian Azbuka Vkusa, American Fairway, and Japanese Fressay. This brand has a substantial potential for development within the region and beyond, where it already achieves excellent results. This acquisition thus meets both aims as defined in Atlantic's development strategy: expanding the current brand portfolio, and internationalization," explains President CEO of Atlantic Grupa, Emil Tedeschi.

The Foodland d.o.o. company was founded in 1998 and its main activity is the production of natural health food from selected ingredients to meet the needs and standards of modern life. Production facilities are located 250 km south of Belgrade, at the foot of Mt Kopaonik. The product range includes delicacies such as savory

spreads and sauces, sweet spreads and natural syrups and juices made from fresh fruits and vegetables. Vegetables and fruits selected for the production are the yield of the untouched nature of the broader area of Kopaonik and the local farms. All products are made with the highest percentage of fruit and vegetables and prepared in a traditional way, without additives or preservatives. Production at the Foodland plants is set up in accordance with the high standards of the worldwide HCCP certificates, ISO 9001 and BRC.

Also worth mentioning is the fact that the *Granny's Secret* brand is the only one in the region to have won the British quality award "Great Taste Award", the "Best Innovative Juice" award of the British Foodnews magazine, as well as the international award for the best packaging bestowed by the World Packaging Organization. These awards are testament to the uncompromising commitment to the top quality of products and designs that make competition in the global market possible.

Atlantic Grupa is one of the leading food companies in the region with a strong focus on business development in international markets. The product range of Foodland is exceptionally complementary to the product assortment, business practices, strategy and ambitions of Atlantic's strategic business unit Savoury spreads, of which it will be part once incorporated in the system. The primary brand with the largest international potential in the context of this strategic business unit is Argeta. The broadening of the palette with new products, with the support of Atlantic's sales organization in the region and in the international markets, opens the door to significant synergies and improvement of the position of both brands in the portfolio.

Atlantic Grupa d.d.